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## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

SACHI A. HAMAI  
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March 30, 2016

To: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

### **RESPONSE TO MOTION BY SUPERVISORS KUEHL AND RIDLEY-THOMAS ON AFFORDABLE HOUSING (ITEM NO. 22, AGENDA OF OCTOBER 27, 2015)**

On October 27, 2015, the Board adopted a multi-component affordable housing motion, introduced by Supervisors Kuehl and Ridley-Thomas, directing the Chief Executive Officer (CEO) to create a new Affordable Housing Programs budget unit and a Los Angeles County Affordable Housing Coordinating Committee. The Committee includes representatives from the following departments: the Community Development Commission (CDC); Housing Authority of the County of Los Angeles; Mental Health; Health Services; Public Health; Public Social Services; Community and Senior Services; Sheriff; Probation; Children and Family Services; Regional Planning; and the Los Angeles Homeless Services Authority. An executive Committee consists of a subset of these departments.

The Committee was formed in January and was tasked with: (1) developing a template for an annual Affordable Housing Outcomes report; and (2) assessing the feasibility of implementing local hire requirements and requirements for hiring from social enterprises in the construction, operation, and maintenance of affordable housing developments, and the possibility of requiring certification for affordable housing operations and maintenance employees on all capital projects supported by the Affordable Housing Programs budget unit.

The CEO procured a consultant to develop, in collaboration with the Committee, the template for the annual Affordable Housing Outcomes report. The Committee approved the template (Attachment I) at its March 17, 2016 meeting, fulfilling directive 7a of the

*"To Enrich Lives Through Effective And Caring Service"*

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motion. The technical appendix to the template is still being finalized by the consultant.

The CEO intends to procure a consultant to prepare the Affordable Housing Outcomes report, in collaboration with the Committee. The first report will be completed in mid-2017 and will be used by the Committee to develop recommendations regarding the utilization of FY 2017-18 funding in the Affordable Housing Programs budget unit.

An interim report on item 7b of the motion is attached (Attachment II) and includes a set of follow-up actions that will be discussed in a subsequent report. The CDC provided most of the information included in this interim report. The next follow-up report on local hire/social enterprise will be provided by July 29, 2016.

If you have any questions, please contact Phil Ansell, Director of the Homeless Initiative, at (213) 974-1752, or at [pansell@ceo.lacounty.gov](mailto:pansell@ceo.lacounty.gov).

SAH:JJ:PA  
LB:ef

#### Attachments (2)

c:     Executive Office, Board of Supervisors  
          County Counsel  
          Children and Family Services  
          Community Development Commission  
          Health Services  
          Los Angeles Homeless Services Authority  
          Mental Health  
          Probation  
          Public Health  
          Public Social Services  
          Regional Planning  
          Sheriff

# A Template for Los Angeles County's Annual Affordable Housing Outcomes Report

Prepared by the California Housing Partnership Corporation (CHPC) with the Corporation for Supportive Housing (CSH) for the Los Angeles County Affordable Housing Coordinating Committee.

## **Background**

The Los Angeles County Board of Supervisor's passed a motion on October 27<sup>th</sup>, 2015 calling for the creation of an Affordable Housing Programs budget unit and the dedication of new funding for affordable housing for vulnerable, low income populations in the County. The motion called for the creation of an annual Affordable Housing Outcomes report "which shall provide policy recommendations, gap analysis and information on the outcomes of all of the County's affordable housing investments." The Motion further called for a template of the report to be completed within 150 days of the Motion's passage. CHPC and CSH responded to a request for bids for the template due on January 14<sup>th</sup>, 2016 and began work on the template on January 28<sup>th</sup>, 2016. Since that date, CHPC and CSH have worked closely with the Affordable Housing Coordinating Committee, made up of various County Agencies and Departments, to develop the vision of the Affordable Housing Outcomes Report template based on the intent of the Motion and the feedback from the Committee, advocates, and stakeholders.

## **Template Purpose and Format**

This template offers a suggested structure and methodology for the annual Affordable Housing Outcomes Report based on the Motion's description, meetings of the Coordinating Committee, and conversations with numerous County departments, local and regional agencies, County Board of Supervisors' staff, and affordable housing advocates. The template is not a completed version of the report itself (which would have been impossible to produce in the time allotted) but rather identifies the relevant indicators, programs, data sources, and methodologies needed to provide the content called for in the Motion. The organization of the template offers a model for the first Affordable Housing Outcomes Report, which is planned to be completed by April 2017 to guide the investments during the 2017-2018 budget year.

The template attempts to explain each indicator or program that has been included, how information on the indicator or program can be found, and how it should be presented and organized. Not every piece of information presented in the template may ultimately be included in the first Affordable Housing Outcomes Report nor will every suggested methodology ultimately be used. However, the template offers an initial effort to develop the vision of the report into a cohesive whole and identify source material and approaches to complete a report that can provide the County with the information that it needs to best utilize its affordable housing resources.

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Section 5. Principles and Categories for Affordable Housing Recommendations

Glossary of Terms

Technical Appendix (pending)

## Dashboard and Executive Summary

The first section of the report acts as a dashboard with key indicators on affordable housing need and funding for the County as a whole as well as the Service Planning Areas (SPAs) that cover the County's various regions. It summarizes findings from the different sections of the report and provides overall context for the housing policy decisions to be made at the county level as well as the SPAs. The indicators could be organized in tables or in other graphical representations that allow readers to readily absorb key housing data at the beginning of the report.

Countywide Snapshot	Data Source(s)
Total Population	Census ACS
Total Households	Census ACS
Total Owner Households	Census ACS
Total Renter Households	Census ACS
Total Number of Affordable Housing (AH) Properties	CHPC data w/ SCANPH or Other County Data
Number of Restricted AH Units	CHPC data
Number of Public Housing Units	HUD or PHA data
Number of Housing Choice Vouchers (HCV)	HUD or PHA data

Countywide Key Indicators	Data Source(s)
Total Homeless Population	LAHSA other CoCs
Severely Rent Burdened Renter Households	CHAS or PUMS analysis Extremely Low Income (ELI): Very Low Income (VLI): Low Income (LI):
Affordable Housing Gap	Extremely Low Income (ELI): Very Low Income (VLI): Low Income (LI):
Number of At-Risk Properties	CHPC data
RHNA Goals vs. Actual Production to Date	SCAG?

### COUNTY CAPITAL RESOURCES

FEDERAL CAPITAL FUNDS OUTLOOK	(Includes funds administered by local governments)
• HOME Funds Available for AH	HUD and Local Data?
• CDBG Funds Available for AH	
• McKinney Funds	

#### STATE CAPITAL FUNDS AVAILABLE FOR AH

- 9% LIHTC Available<sup>1</sup> LIHTC Funding
- AHSC Available
- VHHP Available
- NHTF Available
- MHP Available
- TOD Available\*
- IIG Available\*
- Local Housing Trust Funds Available\*

#### COUNTY ADMINISTERED CAPITAL FUNDS AVAILABLE FOR AFFORDABLE HOUSING

Affordable Multi-Family NOFA	County Tax Collector or State DOF Includes RDA Boomerang, HOME, and Funds from the City of Industry
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MHSA for Capital Uses

#### COUNTY OPERATING FUNDS

Federal

State

County

#### LOS ANGELES CITY GENERATED AND ADMINISTERED (NON-FEDERAL) CAPITAL FUNDS

Impact Fees

Linkage Fees

City Redevelopment Boomerang

Housing Trust Fund

In addition to the countywide data above, there would be a set of indicators collected at the SPA level. This could also include mapping of key indicators by SPA.

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<sup>1</sup> 4% LIHTCs are also important to Los Angeles County, but there is currently no cap on this resource.

\* Not currently available, but will potentially be in the future



<b>SPA Snapshot</b>	<b>Data Source(s)</b>
<b>Total Population and % of County Population in SPA</b>	Census ACS Aggregated from census tract
<b>Total Households</b>	Census ACS Aggregated from census tract
<b>Total Number of Owner Households</b>	Census ACS Aggregated from census tract
<b>Total Number of Renter Households</b>	Census ACS Aggregated from census tract
<b>Housing Production Data (may not be available for SPA)</b>	Annual Progress Report for the Housing Element (permits)
<b>Total Number of Affordable Housing (AH) Properties</b>	CHPC data
<b>Number of Public Housing Units</b>	HUD or PHA data
<b>Number of Housing Choice Vouchers</b>	HUD or PHA data
<b>Summary of Gentrifying Census Tracts by SPA</b>	From Urban Displacement Project

<b>SPA Key Indicators</b>	<b>Data Source(s)</b>
<b>Total Homeless Population</b>	LAHSA other CoCs
<b>Total Number of Jobs</b>	Census?
<b>Number of High Quality Transit Stops</b>	Metro transit information
<b>Renter Households with Severe Rent Burden</b>	CHAS or PUMS analysis Extremely Low Income (ELI): Very Low Income (VLI): Low Income (LI):
<b>Affordable Housing Gap</b>	CHAS or PUMS analysis Extremely Low Income (ELI): Very Low Income (VLI): Low Income (LI):
<b>Number of At-Risk Properties</b>	CHPC data
<b>County Administered Capital Funds Invested in SPA</b>	
CDC, HACoLA MHSA First 5	
<b>County Administered Operating Funds Invested in SPA</b>	
LAHSA HACoLA, MHSA DHS First 5 Probation	



## Section 1. Los Angeles County Affordable Housing Need

### Housing Affordability Gap and Cost Burden Analysis for Housed Population

**Gap Analysis** (or Shortfall Analysis) and **Cost Burden Analysis** are two useful measures of housing affordability and housing need:

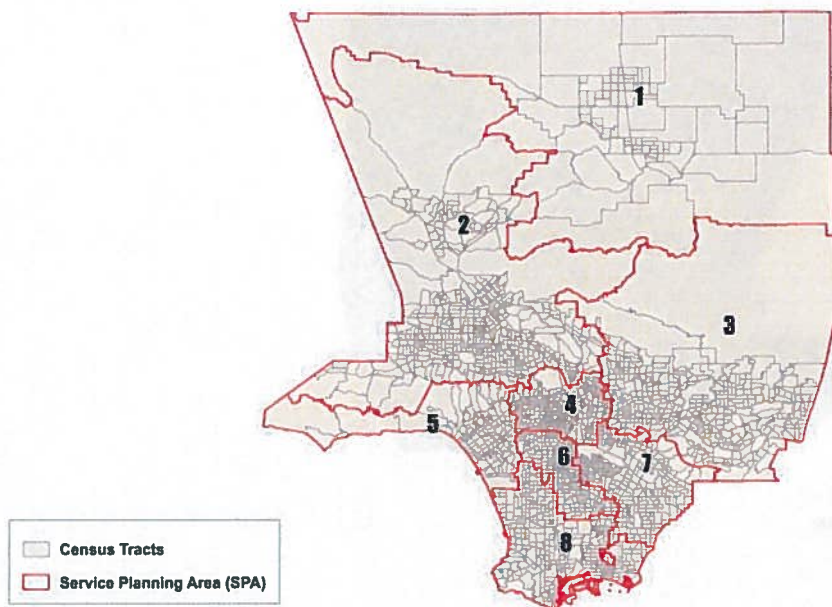
**Gap Analysis** compares the number households in an income group to the number of homes affordable and available to them (“available” is defined as currently occupied by a household in that income group or vacant but for-rent at an affordable rent).

**Cost Burden Analysis** looks at the percentage of income paid for housing by households of different incomes. Typically, affordability is defined as housing costs that absorb no more than 30% of household income. A household is cost burdened if they pay more than 30% of income for housing and severely cost burdened if they pay more than 50% of income for housing. We recommend focusing on severely cost burdened households as they are most likely to lose housing due to increases in housing costs and are likely to face the greatest challenges in finding new housing should they lose their current home.

### Data Sources for Analysis and HUD Income Levels in Los Angeles County

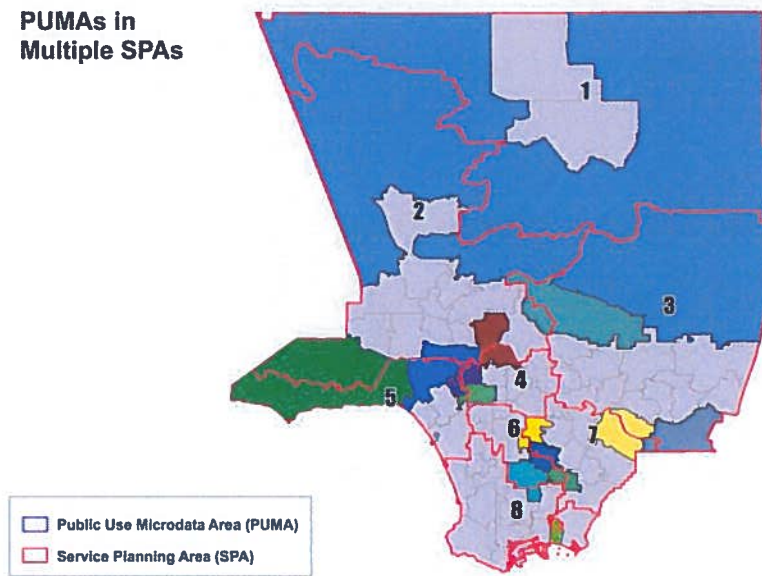
There are two data sources available for the Gap and Cost Burden Analyses, both of which are based on data collected for the American Community Survey (ACS).

The **Comprehensive Housing Affordability Strategy (CHAS)** data is made up of custom tabulations of data from the U.S. Census Bureau that is mostly unavailable through standard Census ACS products. The CHAS data shows the extent of housing problems and housing needs, particularly for low-income households. CHAS data is based on five-year ACS data, providing a larger sample size, and is available for various geographies including census tracts, which could be combined to produce data on Los Angeles County’s Service Planning Areas (SPAs). Though the CHAS is updated annually, the release of the CHAS lags the current year by a number of years (the 2008-2012 CHAS was released in June 2015) and because it is five-year data, it is heavily influenced by data from the earlier years of the 5 year period, making it even more removed from the housing problems of the current year. The data comes in large tables organized by different topics and is tabulated to reflect U.S. Department of Housing and Urban Development (HUD) income groups. While the CHAS requires less effort to work with than the PUMS (discussed below) it still requires attention to detail and investment of time to format in a way that will be meaningful. CHAS data at the tract level will need to be mapped to aggregate to the SPA level. However, the County may have a list of census tracts corresponding to each SPA, which would ease this process.



The **Public Use Microdata Sample (PUMS)** consists of untabulated records of individuals or households that are the basis for Census ACS summaries for specific geographic areas. Records in the PUMS data represent a single person or a household and allow for data tabulations outside of what is available in Census ACS summary data. PUMS data is released annually, typically in the Fall. For example the 2014 PUMS was released in the Fall of 2015. PUMS data is released for geographies called Public Use Microdata Areas (PUMAs) which are made up of multiple Census tracts. Unfortunately, the PUMAs do not correspond perfectly to the borders of the SPAs, with 14 of 69 PUMAs in LA County (20%) split between SPAs. As a result, household data within the split PUMAs would need to be assigned proportionally to each SPA based on the proportion of each income group found in the census tracts falling into each SPA in the CHAS data.

**PUMAs in  
Multiple SPAs**



## HUD Income Limits in Los Angeles County

HUD sets income limits for its housing programs based on the median income and housing costs in a metropolitan area. The Very Low Income (VLI) limit for a four-person household is typically defined as 50% of median family income for the area. Income limits for Extremely Low Income (ELI) households, typically 30% of median income, and Low Income households, typically 80% of median, are calculated from the VLI base and adjustments are applied for households of different sizes at all income levels.

For high cost housing markets such as Los Angeles, HUD adjusts income limits to account for higher costs. HUD sets the VLI income limit at a level that would allow a four person household to pay no more than 35% of income for a two-bedroom apartment priced at 85% of the HUD Section 8 Fair Market Rent (FMR) for Los Angeles County. This in turn affects the ELI and Low income limits because they are calculated from the VLI base. For example the HUD FMR for a two-bedroom unit in Los Angeles County in 2015 was \$1424 and 85% of this is \$1210.40. A household would need to earn \$41,500 to ensure that this rent is equal to no more than 35% of their annual income and so this amount is set as the VLI income limit. This HUD VLI income limit is actually significantly higher than 50% of the 2015 median family income, which would be \$31,500 (50% of \$63,000).

Because HUD Income limits are adjusted upward from actual income levels in Los Angeles County, a higher proportion of the County's households fall into the ELI, VLI, and Low Income groups than otherwise would be the case. The adjusted income levels also mean that households at the lower end of each income range may find rents set according to the adjusted income levels to be high in relation to their incomes. Housing researchers and advocates have begun including a "deeply low-income" category at 15% of median into analyses of housing

needs in order to reflect the issues facing the lowest income households. In Los Angeles County an additional issue is that Supplemental Security Income (SSI) recipients receive a monthly payment that is equal to 18.4% of the HUD adjusted income level for one person. This means that this group of people would fall just above the 15% income level but at the low end of the 15-30% category. As a result it may also be desirable to look at the 15-20% of the HUD 1 person income level to address the housing needs of SSI recipients. However, CHAS data does not allow for the tabulation of household data at 15% or 20% of the HUD income limits because the CHAS data is tabulated according to the HUD income limits and.

### Recommended Approach to Gap and Cost Burden Analyses

Because the HUD income limits are the basis for most housing programs we recommend retaining the use of the HUD income limits so that results of the gap and cost burden analyses correspond to these programs. However, we recommend the addition of an income group at 0-15% and, if possible depending on sample size, 15%-20% of income based on the HUD VLI income limit (this would mean taking the HUD VLI income limit of \$41,500 for a four person household and multiplying .3 for 15% of .4 for 20% and then applying HUD adjustments for different household sizes).

CHAS offers an acceptable option for the gap and cost burden analysis for the purposes of determining concentrations of lower income households and where households are most severely impacted by high housing costs around the County. CHAS is easier to work with than PUMS data and corresponds to Census tracts, which are the basis for the SPAs and therefore CHAS data can be compiled for the SPAs relatively easily. However, CHAS data has two major draw backs: 1) the age of the data means that it can significantly lag major changes in the housing market 2) the inability to look at households at 15% or 20% of HUD income limits means that the situation of these lowest income households can not be analyzed.

We recommend using PUMS data if the County is willing to invest more time in order to have more current data and more flexibility to look at the lowest income households. The PUMS data will require more effort to work with (see Technical Appendix). It will be necessary to combine two years worth of PUMS data for certain SPAs that have smaller populations and therefore smaller sample sizes. Also working with the PUMS data will likely require tabulating the CHAS in order to proportionally assign households from PUMAs that are split between two SPAs.

Working with either dataset will require some GIS skills in order to process the data. In addition, both datasets allow for looking at some additional household characteristics related to vulnerable populations such as low income families with children and senior households.

## Examples of Gap Analysis and Cost Burden Analysis

Los Angeles County Renter Households- Cost Burdens by Income Group							
	Total Households	Not Cost Burdened (less than 30% of Income)		Moderately Cost Burdened (30-50% of Income)		Severely Cost Burdened (more than 50% of Income)	
	Number	Number	% of Income group	Number	% of Income group	Number	% of Income group
Extremely Low	394,134	31,051	7.9%	35,184	8.9%	327,899	83.2%
Very Low	307,347	30,319	9.9%	100,976	32.9%	176,052	57.3%
Low	321,985	98,114	30.5%	161,418	50.1%	62,453	19.4%
Moderate	295,289	176,493	59.8%	105,170	35.6%	13,626	4.6%
Above Moderate	461,189	413,879	89.7%	43,698	9.5%	3,612	.8%
All Income Groups	1,779,944	749,856	42.1%	446,446	25.1%	583,642	32.8%
2014 PUMS based analysis - DOES NOT use HUD Income limits so may differ from future numbers							

Rental Unit by Affordability Level with Income of Occupant Household							
Affordable To Income Group	Vacant Rental	Occupied by ELI	Occupied by VLI	Occupied by Low Income	Occupied by Mod Income	Occupied by Above Mod Income	Total
Rental Homes Affordable to ELI	3,497	62,216	16,197	11,589	7,525	11,986	113,010
Rental Homes Affordable to VLI	3,159	39,561	27,654	15,780	6,742	8,032	100,928
Rental Homes Affordable to LI	29,082	149,060	134,356	129,002	83,923	64,638	590,061
Rental Homes Affordable to Mod	23,914	111,964	107,737	136,832	145,718	184,750	710,915
Rental Homes Affordable Above Mod	17,589	31,333	21,403	28,782	51,381	191,783	342,271
Total	77,241	394,134	307,347	321,985	295,289	461,189	1,857,15

Housing Affordability Gap Analysis for Renter Households						
	ELI	VLI	Low Income	Moderate Income	Above Moderate Income	Total
Households within Income Category	394,134	307,347	321,985	295,289	461,189	1,779,944
Rental Homes "Affordable & Available" to Income Group	65,713	86,571	468,869	624,355	611,677	1,857,185
Surplus or Deficit Of Affordable Rental Homes Within Income Category	-328,421	-220,776	146,884	329,066	150,488	77,241
All Households At or Below Threshold Income	394,134	701,481	1,023,466	1,318,755	1,779,944	1,779,944
Cumulative Surplus or Deficit of Affordable Rental Homes	-328,421	-549,197	-402,313	-73,247	77,241	77,241
2014 PUMS based analysis - DOES NOT use HUD income limits so may differ from future numbers						

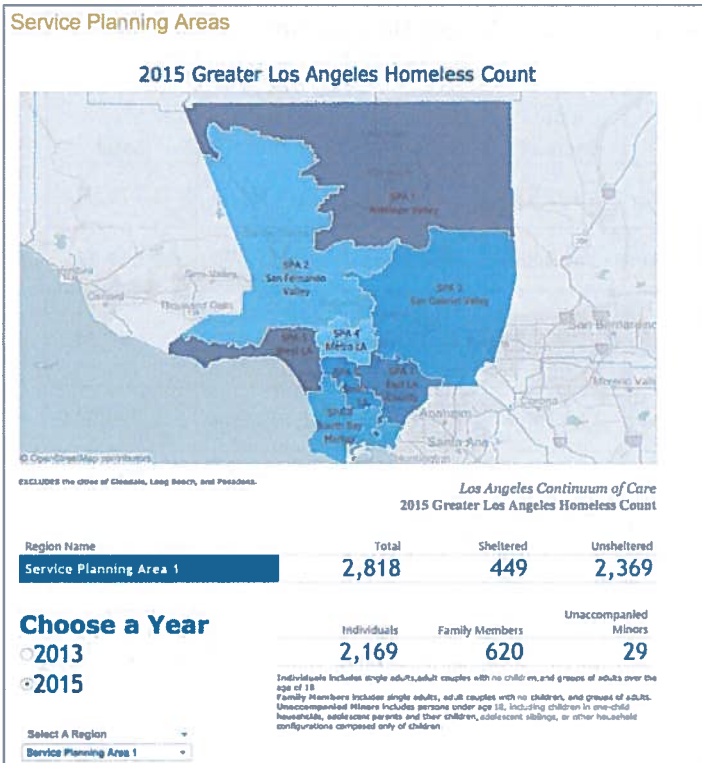
## PUMS and CHAS methodology for housed populations

Please see the Technical Appendix for in depth explanation of working with CHAS and PUMS data.

## Homeless Population

The Point-in-Time (PIT) count is the primary data source for estimating the number of homeless individuals and families in Los Angeles County. HUD requires that each Continuum of Care (CoC) conduct an annual count of homeless persons who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night. CoCs also must conduct a count of unsheltered homeless persons every other year (odd numbered years). In Los Angeles County, there are four Continuums, which include: the cities of Long Beach, Pasadena, and Glendale; as well as the Los Angeles CoC (which includes all other areas of Los Angeles County). Starting in 2016, the Los Angeles, Glendale and Pasadena Continuums began conducting a comprehensive street and shelter count annually. In addition to the PIT street and sheltered count, the Continuums conduct a demographic survey; interviewing a sample of unsheltered homeless individuals to better understand the characteristics and experiences of homeless persons. In addition to household type, the demographic survey provides further details regarding gender, race, age, as well as sub-population information. Both the surveys and the PIT counts are conducted on the Service Planning Area (SPA) level, and thus the data analysis is available by the sub-regional SPAs.





As the PIT count is an unduplicated count on a single night of the people in a community who are experiencing homelessness that includes both sheltered and unsheltered populations, the PIT Count is the starting point in determining the overall need. Utilizing additional data from the demographic survey portion of the PIT, as well as from the Homeless Management Information Systems (HMIS), a multiplier can be calculated, which can be applied to the PIT, to derive an annualized estimate. The additional factors include the rate of migration in/out of the CoC; the average length/episode of homelessness; and the average number of episodes of homelessness. The Los Angeles CoC has utilized a similar methodology previously to annualize the PIT estimate.

In addition, all CoCs are encouraged to participate in the Annual Homeless Assessment Report (AHAR) and submit data for the entire continuum. The AHAR is a report to the U.S. Congress on the extent and nature of homelessness in the United States. It provides counts of the homeless population and describes their demographic characteristics and service use patterns. The AHAR is based on local data from Point-in-Time counts, Housing Inventory Counts (HIC), and Homeless Management Information Systems (HMIS). The AHAR documents the annual number of people who access homeless assistance programs as documented in the HMIS, as well as the proportion of beds and units that are documented in the Housing Inventory Chart (HIC) that are also represented in the HMIS data set. This information is used to extrapolate client numbers and patterns of service utilization for those beds and units that do not report in the HMIS and to estimate an annual unduplicated count of unique individuals and families who present for services over a twelve- month period.

The Department of Public Social Services (DPSS) is an additional possible source for data regarding the number of individuals and families experiencing homelessness during the course of a given year in Los Angeles County. As a provider of an array of services and support, DPSS collects a large amount of demographic data on a large number of persons who are experiencing homelessness or at risk of homelessness. However, it should be noted that DPSS utilizes a more expansive definition of homelessness, than is used by CoCs, and therefore, combining the data for purposes of analysis may be problematic.

## **RHNA and Housing Permitting by Income Group**

As part of the regional planning process the Southern California Association of Governments (SCAG) works with the state to project estimated population and household growth for each planning cycle. SCAG then works with the cities in the region to determine how much of the Regional Housing Needs Assessment (RHNA) each city will absorb. The RHNA includes housing for a variety of income levels. SCAG attempts to track housing production in relation to RHNA goals.

One way that SCAG tracks housing production is through building permits data from Cities and Counties and SCAG should be able to provide housing permitting data annually for Los Angeles County. Including this data in the Affordable Housing Outcomes Report would allow the County to track overall production of multifamily and single family homes.

It is more difficult, however, to track affordable housing production since the agencies tracking housing construction permits or certificates of occupancy for new housing units do not specifically classify affordable units. An alternative could be to use Low Income Housing Tax Credit (LIHTC) data from the State's Tax Credit Allocation Committee (TCAC), which includes new awards made in the prior year as well as the Placed In Service (PIS) date of new developments, which marks the occupancy of the development. The time period between a tax credit award and the opening of a new development could be a few years and the award would also precede issuance of building permits while the PIS date would obviously fall after issuance of the building permits. As a result, use of the award date or the PIS date would not be equivalent to permit data for new construction. However, as long as these two indicators were not presented as being from the same source, they could both be used as indicators of housing development with building permits tracking construction broadly and tax credit awards or PIS dates tracking affordable construction.

## Section 2. Inventory of Affordable Rental Housing Properties and Rent and Operating Subsidy Programs

### Affordable Rental Housing Properties

#### Federal and State Regulated Rent-Restricted Affordable Housing Properties

##### Importance

Federal and state subsidy programs to private developers/ owners have built the majority of, rent-restricted housing affordable to lower income households.

##### Accessing the Data

Data on the location and characteristics of federally and state funded affordable housing developments can be requested from the California Housing Partnership Corporation (CHPC). CHPC has information on properties funded by Low Income Housing Tax Credits (LIHTC), the Department of Housing and Urban Development (HUD), the California Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA). CHPC has matched properties across data sets, providing more accurate assessments of total property and unit counts. CHPC also provides an assessment of the risk of conversion to market rate, making it easier to identify priority affordable housing properties for preservation. County staff can request that CHPC map affordable housing properties and units by SPA. The affordable housing data provided by on HUD, LIHTC, HCD, and CalHFA does not consistently report demographic information across data sets but should provide some information on the income targeting of units as well as whether a building targets seniors, special needs, or other specific populations of interest.

Additional resources include Southern California Association of Nonprofit Housing (SCANPH) database on affordable housing in Los Angeles County and the database of Los Angeles City affordable housing investments maintained by the Housing and Community Investment Department (HCID) of the City of Los Angeles. These databases are likely to include greater detail on local funding such as HCID and the Los Angeles County Community Development Commission (CDC).

##### Datapoints to Present

- Countywide summary of number of properties and units
- Breakdown and mapping by SPA of number of properties and units
- Highlighting properties and units at-risk for conversion in the next five years for the County and SPAs including maps
- To the extent feasible, breakdown of properties by population served (elderly, disabled, families, special needs) and income targeting of units (for HCD and LIHTC data there are break downs of income target for units while for HUD there is information on number of

very low income households by building as well as project-based rental assistance which can serve lowest income households).

- Depending on the dataset, there may be data on vacancy and the physical condition of properties

## **Public Housing**

### **Importance**

Public Housing serves nearly 10,000 very low-income households in Los Angeles County. The Housing Authority of the City of Los Angeles (HACLA) and the Housing Authority of the County of Los Angeles (HACoLA), the county's two largest housing authorities, own 99% of the public housing units in the county with remainder of the units owned by two smaller housing authorities, the cities of Baldwin Park and Lomita. Due to lack of federal funding, public housing can have major capital and operating needs, making it an important preservation focus. Data on public housing should be collected at a county level and then broken out by SPA.

### **Accessing Data**

There are two alternatives for gathering public housing data.

HUD provides a dataset on all public housing in Los Angeles County [here](#). Developments that have multiple sites may only record the address of the building with the largest number of units. Relevant property information within the dataset includes: total units, occupancy rates, average household size, average household income, and the household contribution to rent per month. For public housing developments within Los Angeles County, the data can be sorted by FIPS State Code "6" and FIPS County Code "37". To aggregate the developments by SPA, use GIS to map the public housing development by address and SPA boundaries (see Appendix for GIS model). To collect addresses and unit counts for all the buildings in scattered site public housing development that aren't included in the HUD database, the individual housing authorities should be contacted.

Given that there are only four housing authorities with public housing, the County could also contact each housing authority to collect public housing data, or focus on the two largest housing authorities. Obtaining data directly from the housing authorities could provide more up to date data as well as more detail and accuracy on the properties location and their current condition and demographics. At a minimum, HACoLA, as a County agency can provide detailed information about its properties which can be combined with resources from HUD.

### **Datapoints to Present**

- Data for the County can be presented county wide as well as by SPA including
- Data should be mapped for the county and SPAs
- Number of properties and units
- Demographics of families served
- Vacancy and retention

- Properties targeted for rehabilitation or in need of major physical upgrade

**Important note:** HACLA and HACoLA also own and operate housing built with HUD, LIHTC, and local resources so be sure to account for these properties in one section or another but not in multiple categories. Also, The housing authorities including HACLA and HACoLA have project-based a number of Housing Choice Vouchers that are layered onto some of the capital projects built with LIHTC funding so it will be important to avoid duplication.

## City-level Capital Funding and Other Affordable Housing Production and Housing Protection Policies

A range of funding sources for affordable housing as well as policies that protect lower income renters or require creation of affordable housing units as part of new development are implemented and tracked at a city level. Collecting data on affordable housing units built and regulated by these funding sources and policies could be an extremely time consuming task given that there are 88 cities in addition to unincorporated areas in the county. A long-term project could be coordination with the cities to standardize tracking of locally funded and regulated units.

In the meantime, however, the County needs a practical way to capture as much information as possible on local funding and locally produced and protected affordable housing. To guide this effort we offer the following recommendations:

1. Focus on collecting data from cities within the county that are known to have invested the most in affordable housing and have the most active affordable housing production policies and programs.
2. Focus on working with cities that have the most well developed databases of affordable properties funded through local sources.
3. Focus on identifying affordable units funded solely with local sources or as a result of local policies that HAVE NOT used other federal or state funding and are therefore not regulated under federal or state programs.
4. Focus on identifying locally produced and regulated units that are at-risk of conversion to market rate to prioritize them for preservation.

The City of Los Angeles is by far the largest city in the county with over 3.9 million people or approximately 39% of the county's population. The City also has funded many affordable developments and has a large share of the County's affordable housing development overall. The City's Housing and Community Investment Department (HCID) and the Housing Authority (HACLA) are major affordable housing agencies that invest in or manage extensive amounts of affordable housing and public housing. HCID also maintains an extensive database of affordable housing in the City along with data on City investments. Furthermore, HCID has data on rent stabilized properties and code-enforcement that can help with preservation efforts.

Along with the City of Los Angeles, there are a few other large cities worth focusing on because of the housing resources that they administer. Long Beach, Glendale, and Pasadena each have their own housing authority and a Continuum of Care that coordinates the federal homeless resources they receive. Despite the end of redevelopment, Pasadena continues to invest in affordable housing and has local housing production policies like inclusionary zoning.

There are also a few smaller cities that have invested in affordable housing and passed housing supportive policies including Santa Monica and West Hollywood. These two are among the very small number that have rent control policies and the City of West Hollywood has an inclusionary housing ordinance as well.

This group of cities would offer a good initial survey of local investment in affordable housing, local housing production, and renter protection policies. The County can add to this list as other cities within the County begin to invest more in affordable housing and become stronger partners for the County's housing affordability efforts. We recommend presenting data on city level funding and local renter protection by each city itself rather than the program type. However, where information is readily accessible, we also recommend including lists of cities with particular policies or programs though detailed funding and information on properties and units should be organized by the cities themselves.

Below are various local funding sources and housing production or renter production programs that may be implemented at a city level.

#### City Housing Trust Funds

The City of Los Angeles Housing Trust Fund is as an example of a city level funding source that funds extensive housing development and preservation activities. By working with the City of Los Angeles and other cities that have housing trust funds the County can track affordable housing properties and units that might not be captured through other means. Housing trust funds are likely to include funds from a number of sources discussed below such as commercial linkage fees, housing impact fees, or HOME funds received by local jurisdictions.

#### Commercial Linkage or Housing Impact Fees

Data on the number of housing developments that are funded by housing impact or commercial linkage fees may be obtained through city housing department staff. These fees may be deposited and kept track of within a housing trust fund tracked by the city. The amount of the fees varies widely between jurisdictions and have not been widely utilized in Los Angeles County.

#### HOME and CDBG Funds

Federal HOME funding can be used for new construction, housing rehabilitation, homebuyer assistance, tenant-based rental assistance, and other activities related to the development of non-luxury housing. HOME funds are also often included in local housing trust funds.



HUD provides data on local HOME grants provides an alternative to collecting data from individual cities. HUD HOME data on HOME funding can be downloaded [here](#). Relevant information within the dataset includes the name and type of the grantee, the funding amount, the address and name of the project, and the date when the activity was completed. Investments can be mapped by SPA using GIS (see Appendix for GIS model).

HUD Data on Community Development Block Grant (CDBG) funding for community projects can be downloaded [here](#). Use of CDBG funds for housing is far more restricted than HOME funds but may allow for the rehabilitation of multi-unit buildings and the modernization of public housing developments. Relevant information within the dataset includes: the amount, type, and location of investment, grantee, and completion date of investment. Investments can be mapped by SPA using GIS (see Appendix for GIS model).

### HOPWA Funded Projects

The Housing Opportunities for Persons with AIDS (HOPWA) program, managed by HUD's Office of HIV/AIDS Housing and administered by eligible local jurisdictions, was established to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition; rehabilitation; or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. An essential component in providing housing assistance for this targeted special needs population is the coordination and delivery of support services. Consequently, HOPWA funds also may be used for services.

### Redevelopment and Successor Agency Properties

Redevelopment-generated Low and Moderate Income Housing Funds were the single largest source of local affordable housing funding for decades in California. Redevelopment affordable housing funding was most often paired with federal and state programs such as LIHTC or HUD loans but there were some affordable housing units created through redevelopment funding or through agreements with developers. Each city that had a redevelopment agency and funded housing programs was required to submit a list of housing assets to the California Department of Finance (DOF) as part of the redevelopment dissolution process. Housing asset lists can be obtained from the cities' respective successor agencies though, again, it could require extensive work to compile a list of redevelopment-funded affordable housing throughout the county. Working with the largest cities and unincorporated areas though a more extended project to compile a database on all redevelopment funded affordable assets could be a long-term benefit.

### Rent-Stabilized or Rent Controlled Housing

Four cities in Los Angeles County have rent control or rent stabilization ordinances including, in order of population size, the City of Los Angeles, Santa Monica, West Hollywood, and Beverly Hills. While rental housing covered by rent control and rent stabilization is not income restricted, it often coincides with the location of lower income renter households. The City of

Los Angeles is by far the largest source of rent stabilized housing in the County and the City tracks properties covered under its rent stabilization ordinance. By working with these cities, the County can provide information about the location of rent stabilized or rent controlled properties that can be layered with other important neighborhood characteristics such as concentrations of lower income renters or information on rapidly gentrifying neighborhoods. The focus of this analysis could be to support efforts to preserve and protect this housing stock and the lower income renter households in this housing.

#### Code Enforcement Data on Substandard Rental Housing

Many cities in the county track code enforcement data with the City of Los Angeles having a particularly systematic and well-organized program. The County provides code enforcement in unincorporated areas. Collecting code enforcement data on sub-standard rental housing could be used to target rental housing with severe habitability issues for preservation funding in exchange for affordability commitments as well as to provide services to low income renters in substandard housing.

#### Foreclosed Properties

With the reduction in numbers of properties entering foreclosure, there may be fewer efforts at the local level to track foreclosed properties. While not the threat to family and community stability that it once was, foreclosure may threaten lower income home owners due to unexpected tax assessments or changes in household income. The County could work with cities to target low income households at-risk of losing a home for homeowner assistance.

#### Inclusionary Housing Properties

Use of inclusionary housing policies to produce affordable housing can take a number of forms including on-site affordable units in a new market-rate development, off-site affordable housing in a stand-alone affordable development, in-lieu fees paid into an affordable housing fund, or land donation for affordable development. Inclusionary housing policies are often flexible and range in terms of the percentage of units required, the size of development the policy applies to, developer incentives to participate, the income group the units are intended to serve, as well as the amount in-lieu fees are set at. Data on properties that have been developed as a result of inclusionary housing policies can ideally be retrieved from the respective housing departments in cities that have the policy, though a broader effort to improve the tracking of these units may be necessary.

#### Cities in Los Angeles County with Inclusionary Housing Policies:

City of Agoura Hills	City of Rancho Palos Verdes
City of Avalon	City of Santa Monica
City of Burbank	City of Walnut
City of Calabasas	City of West Hollywood
City of Duarte	City of Whittier
City of Pasadena	

### Density Bonus Units

Data on the number of units produced as a result of local density bonus ordinances or as a result of the State's density bonus law may be available through housing department staff at respective cities.

### Specific Plan and Development Agreement Units

Data on the number of units produced as a result of specific plan areas requirements or through developer agreements may be obtained through housing department staff at respective cities. Details on specific plans and whether they have requirements that produce or fund affordable housing development may also be found within individual city's housing elements and municipal codes.

### Mello Act Coastal Zone Units

The Mello Act is a statewide law which seeks to preserve housing for persons and families with low and moderate incomes in California's Coastal Zone. This legislation prohibits the conversion of affordable housing units occupied by low or moderate income households unless a provision for the replacement of the unit has been made. The replacement will be located in the same city or county and be built at the same site, within the coastal zone, or within three miles of the coastal zone, and be available within three years of the conversion or demolition date. Data on the number of housing developments that are produced from the Mello Act may be obtained through city housing department staff and housing elements for cities with coastal areas that are subject to the State law.

## Rent and Operating Subsidy Programs

Rent and operating subsidy programs provide crucial assistance to low income tenants and people with special needs through vouchers that help them afford rental housing in the market or through operating subsidies to providers of housing and services that allows them to serve low income people with mental health, substance abuse, and/or homelessness challenges. Much like capital dollars for housing development and rehabilitation, rent and operating subsidies flow through a number of sources at the federal, state, and county level and are administered by both city and County agencies.

### Housing Choice Vouchers

#### Importance

Housing Choice Vouchers (HCVs) are federally funded by HUD and provide low income renters with a voucher that allows them to access rental housing in the market. The voucher pays the difference between what the tenant can afford (usually thought of as 30% of income) and the market rent. HCVs are administered locally by public housing authorities.

### Accessing Data

In Los Angeles County there are 20 Public Housing Authorities that administer HCVs (see table below). However, the two largest housing authorities, HACLA and HACoLA, administer 78% of the HCVs. The City of Long Beach Housing Authority administers another 7% of HCVs. By working with the largest housing authorities, the County could examine the concentrations of HCVs by SPA as well as the demographics of the vast majority of clients served by the HCV program in Los Angeles County. With additional but likely limited effort the County could work with the remaining housing authorities to determine the concentrations of HCVs by SPA and demographics of recipients.

An important piece of information to obtain from housing authorities is the number and location of project-based vouchers (PBVs). These vouchers are tied to a specific property and are often combined with other capital funding sources and would help with de-duplication in the inventory of affordable properties in Los Angeles County.

Housing Authorities in Los Angeles County		
Housing Authority	Section 8 Vouchers	% of Total Vouchers in County
Housing Authority of the City of Los Angeles (HACLA)	47,861	52.8%
Housing Authority of the County of Los Angeles (HACoLA)	23,121	25.5%
City of Long Beach Housing Authority	6,636	7.3%
Housing Authority of the City of Glendale	1,592	1.8%
Housing Authority of the City of Pasadena	1,442	1.6%
Housing Authority of the City of Santa Monica	1,092	1.2%
Housing Authority of the City of Burbank	1,014	1.1%
Housing Authority of the City of Inglewood	1,002	1.1%
Housing Authority of the City of Pomona	894	1.0%
Housing Authority of the City of Baldwin Park	884	1.0%
City of Compton Housing Authority	803	0.9%
Hawthorne Housing	711	0.8%
Housing Authority of the City of Norwalk	705	0.8%
Housing Authority of the City of Torrance	690	0.8%
Housing Authority of the City of South Gate	654	0.7%
Housing Authority of the City of Redondo Beach	593	0.7%
Pico Rivera Housing Assistance Agency	517	0.6%
Housing Authority of Culver City	384	0.4%
Housing Authority of the City of Hawaiian Gardens	132	0.1%
Housing Authority of the City of Lomita	0	0.0%
Total All Los Angeles County Housing Authorities	90,727	100.0%
Source: HUD Public Housing Authority Dataset - Data is from 2012		



As an alternative to working with housing authorities, HUD Data on the amount of HCVs in the County can be downloaded [here](#). HCVs are recorded by census tract and include information on the number of HCVs that have been issued as well as a percentage of renter occupied housing units in each tract that receive HCVs. However, this data does not distinguish project-based vouchers so would not help with identifying overlap with affordable housing projects funded through other sources. For HCVs within Los Angeles County, the data can be sorted by FIPS State Code “6” and FIPS County Code “37”. To aggregate the developments by Service Planning Areas (SPAs), use GIS to map census tracts with associated HCV data and apply a SPA overlay (see Technical Appendix).

We recommend mapping the data on number and percentage of renters using HCVs per census tract.

## Continuum of Care Program

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) consolidates three homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program – the Continuum of Care (CoC) Program. Within Los Angeles County, there are four CoCs, which are responsible for administering the CoC Program within their jurisdictional boundaries. This includes the cities of Long Beach, Pasadena, and Glendale; as well as the Los Angeles CoC, which is overseen by the Los Angeles Homeless Services Authority, and includes all other areas of Los Angeles County. The existing homeless assistance programs that comprise the CoC Program are the following: the Supportive Housing Program, the Shelter Plus Care Program, and the SRO Program.

The former **Supportive Housing Program (SHP)** helps develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living. Program funds help homeless people live in a stable place, increase their skills and their income, and gain more control over the decisions that affect their lives. The former **Shelter Plus Care (S+C) Program** provides rental assistance in connection with matching supportive services. The rental assistance can be provided as tenant-based vouchers, in which the household can choose and lease safe, decent, and affordable privately-owned rental housing or as project-based, which is tied to a specific building. **The SRO Program**, which is no longer eligible under the new CoC Program, provides rental assistance in connection with the moderate rehabilitation of residential properties that, when renovations are completed, will contain upgraded single occupancy units for individuals who are homeless. The S+C and the SRO Program are administered by public housing authorities (PHAs). Within Los Angeles County, the Housing Authority of the City of Los Angeles (HACLA), the Housing Authority of the County of Los Angeles (HACoLA), the Housing Authority of the City Santa Monica, and the Housing Authority of the City of Pomona administer the S+C program under the Los Angeles CoC. The housing authorities of the Cities of Pasadena, Glendale and Long Beach administer the S+C program for their respective CoC.

## Accessing Data

CoC Homeless Assistance Programs Housing Inventory Count Reports provide a snapshot of a CoC's HIC, an inventory of housing conducted annually during the last ten days in January, and are available at the national and state level, as well as for each CoC. The reports tally the number of beds and units available on the night designated for the count by program type, and include beds dedicated to serve persons who are homeless as well as persons in Permanent Supportive Housing. The CoC are responsible for collecting and maintaining program level data for CoC Programs, as well as other homeless programs, operating within their jurisdictional boundaries.

## VASH

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at VA Medical Centers (VAMCs) and community-based outreach clinics. VASH rental assistance is provided as tenant-based vouchers, in which the household can choose and lease safe, decent, and affordable privately-owned rental housing or as project-based, which is tied to a specific building.

Every year since 2008, HUD and the VA have awarded VASH vouchers based on geographic need and public housing agency (PHA) administrative performance. The allocation process for HUD-VASH vouchers is a collaborative approach that relies on three sets of data: HUD's point-in-time data submitted by CoCs, VAMC data on the number of contacts with homeless veterans, and performance data from PHAs and VAMCs. HUD selects PHAs near to the identified VA facilities, taking into consideration the PHAs' administrative performance, and sends the PHAs invitations to apply for the vouchers. In Los Angeles County, VASH vouchers have been allocated to the Housing Authority of the City of Los Angeles (HACLA), the Housing Authority of the County of Los Angeles (HACoLA) and the Housing Authority of the City of Long Beach.



## Section 3. County Administered Affordable Rental Housing Resources

This section provides an inventory of resources administered by Los Angeles County's agencies and departments that provide funding for development of affordable rental housing as well as funding for rental assistance, operating subsidy, and/or services for low income households facing housing challenges.

### Los Angeles County Community Development Commission (CDC)

The County CDC awards multiple types of capital resources via its annual Notice of Funding Availability, primarily general funds allocated by the Board of Supervisors (BOS) and HOME funds. Historically, this process also included the City of Industry (COI) program, which was funded by ongoing transfers of housing set aside redevelopment funds by the COI and provided capital for both general affordable and supportive housing. The geographic reach of COI funding was limited, extending only as far as a 15-mile radius from the city's borders. The COI program ceased in 2012 with redevelopment dissolution, and since then the BOS has appropriated general funds that target only supportive housing. Unlike the COI program, this supportive housing funding is available throughout Los Angeles County without geographic limitations.

In addition, the CDC acts as a Participating Jurisdiction to administer the County's HOME Consortium. HOME funds are available via the annual NOFA for projects in unincorporated areas as well as in numerous small cities that participate in the Consortium.

CDC Funded Affordable Housing Developments	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation?	
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	
Number properties funded only by County (if any)	
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	

### Housing Authority of the County of Los Angeles (HACoLA)

HACoLA owns and administers nearly 3,000 units of public housing. The sites are scattered throughout the county, from Lancaster to Long Beach. The operation and capital repair costs of public housing are funded entirely by the federal government. However, the annual

appropriations fall far short of the funding necessary for HACOLA and other housing authorities to stay abreast of necessary capital repairs.

HACoLA Public Housing Developments	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	NA
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation?	NA
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	NA
Number properties funded only by County (if any)	NA
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	

HACoLA Conventional Affordable Housing Developments	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation	
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	
Number properties funded only by County (if any)	
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	

### Section 8 Housing Choice Voucher (HCV) Program

The HCV Program is the federal government's major program for assisting very low-income families. Eligibility for a HCV is based on the total annual gross income and family size. A family that is issued a voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. A housing subsidy is paid to the landlord directly by the Housing Authority on behalf of the family. The family must pay 30% of its monthly adjusted gross income for rent and utilities, which is the difference between the actual rent charged by the landlord and the amount subsidized by the program. However, in practice families often pay as much as 40% of their incomes if they choose to rent units with asking rents above the market-justified rent up to the Payment Standard. There are 20,427 vouchers allocated under this program. The Housing Authority assists homeless families under the HCV program by means of a waiting list preference for homeless families who are referred by a partnering Community Based Organization. Since implementing the preference in 2014, the

Housing Authority has provided vouchers to more than 1,500 homeless applicants from its waiting list.

HACoLA Housing Choice Voucher Program	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

### Project Based Voucher Program (PBV)

Under the PBV program, the Housing Authority attaches tenant-based vouchers to specific properties through a 15-year contract with possible renewals. The Housing Authority uses this program to partner with developers and service providers to create housing opportunities for special populations such as the homeless, elderly, disabled, transition aged youth, and families suffering from mental illness. As part of the PBV program, each project also offers various supportive services specific to the needs of the population being served. Currently, there are 535 families being assisted through this program.

HACoLA Project Based Voucher Program	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

### Veterans Affairs Supportive Housing Program (VASH)

The goal of the Veterans Affairs Supportive Housing (VASH) Program is to provide rental assistance vouchers combined with case management services and clinical services to enable homeless veterans to lead healthy, productive lives in the community and remain housed. The program is designed to improve each veteran's health and mental health, and to enhance each veteran's ability to remain stable, housed, and integrated in their local community. This is done using HCV rental assistance and VA intensive case management services. The Housing Authority

has a voucher allocation of 1,518 for this program. VASH vouchers can also be project-based and attached to specific properties through 15-year contracts using the PBV mechanism described above.

HACoLA Veterans Affairs Supportive Housing Program	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

#### Shelter Plus Care/Continuum of Care Program (S+C/CoC)

The Housing Authority currently administers 24 Shelter Plus Care/Continuum of Care grants: six (6) five-year grants and 18 one-year grants with funding totaling \$23,489,313. These grants will ultimately provide rental assistance and valuable supportive services for up to 911 otherwise homeless families under a variety of projects. The program primarily provides assistance to those who have been diagnosed with a mental illness, chronic substance abuse problem, or HIV/AIDS.

HACoLA Shelter Plus Care/ Continuum of Care Programs	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

#### Section 8 Family Unification Program

The Section 8 Family Unification Program combines the resources of the Housing Authority and the Department of Children and Family Services (DCFS). All families assisted under this program are referred to the Housing Authority for rental assistance by DCFS. DCFS, in turn, will be responsible for providing a wide range of supportive services designed to keep families together and/or reunite families where minor children.

HACoLA Family Unification Program	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Los Angeles Homeless Services Authority (LAHSA)

In December of 1993, the Los Angeles County Board of Supervisors and the City of Los Angeles Mayor and City Council created the Los Angeles Homeless Services Authority (LAHSA) as an independent, Joint Powers Authority. LAHSA's primary role is to coordinate the effective and efficient utilization of federal and local funding in providing services to homeless people throughout Los Angeles City and County.

LAHSA is the lead agency in the Los Angeles Continuum of Care (CoC), which is the regional planning body that coordinates housing and services for homeless families and individuals in Los Angeles County. LAHSA coordinates and manages over \$70 million dollars annually in Federal, State, County and City funds for programs that provide shelter, housing and services to homeless persons in Los Angeles City and County.

As the lead agency for the Los Angeles CoC, LAHSA is responsible for the coordination of the CoC Program, which includes the Supportive Housing Program, the Shelter Plus Care Program, and the SRO Program. LAHSA also administers an array of programs on behalf of both the City and County of Los Angeles.

In addition, as the CoC lead, LASHA is also responsible for conducting the annual Point-in-Time count, the Housing Inventory Chart (HIC), and managing the Homeless Management Information System (HMIS). As such, LAHSA has a unique role, and can provide a wealth of program and system level data that is unavailable elsewhere.

LAHSA Capital Investments- NOTE THERE IS OVERLAP WITH HACoLA OR OTHER COUNTY DEPARTMENTS	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation?	
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	
Number properties funded only by County (if any)	
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	

LAHSA Homeless Services Programs- NOTE THERE IS OVERLAP WITH HACoLA OR OTHER COUNTY DEPARTMENTS	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Department of Mental Health

The Mental Health Service Act (MHSA) Housing Program was jointly launched by California Department of Mental Health and the California Housing Financing Agency (CalHFA) in August 2007. The MHSA Housing Program is a statewide program that provides funding to support the capital development and capitalized operating subsidies for affordable supportive housing for individuals with mental illness and their families who are homeless or at risk of homelessness.

The Los Angeles County Department of Mental Health (DMH) administers the program locally, and since its inception has invested in housing projects that will create supportive housing units for MHSA eligible clients as well as affordable housing units disbursed across the eight Service Planning Areas (SPAs). The projects serve all age groups including children, Transition Age Youth (TAY), adults and older adults. DMH provides mental health services to many of the residents of the housing developed through this program.



MHSA Capital Investments	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation?	
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	
Number properties funded only by County (if any)	
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	

In addition to the MHSA Housing program, DMH also administers a number of tenant-based programs for eligible homeless households. In partnership with both the Housing Authority of the City of Los Angeles and the Housing Authority of the County of Los Angeles, DMH administers both Housing Choice Vouchers as well as Shelter Plus Care Vouchers.

MHSA Operating Subsidy Program	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Department of Health Services

The Department of Health Services established the Housing for Health (HFH) program to expand access to supportive housing for DHS patients who are homeless and who have complex medical and behavioral health conditions and/or are high utilizers of DHS services. HFH utilizes a full range of community-based housing options, including non-profit owned supportive housing, affordable housing, and private market housing. Tenants receive federal rental subsidies such as Section 8 or Shelter Plus Care Project-Based or Tenant-Based Vouchers or a local rental subsidy through the Flexible Housing Subsidy Pool (FHSP). All individuals who

are housed through HFH programs are assigned to a homeless services provider to receive Intensive Case Management Services (ICMS).

Recently, the Department of Public Social Services (DPSS), the Probation Department, as well as the office of Supervisor Mark Ridley-Thomas, have contributed additional funds to the FHSP in order to expand housing resources for additional homeless individuals that meet specific criteria. The investment from the DPSS is to expand the Single Adult Model (SAM), providing access to housing for homeless individuals who are heavy utilizers of County services. The investment from Probation is part of the Breaking Barriers program, which connects adult felony probationers and individuals eligible for AB 109 resources with short-term rental subsidies and supportive services. The investment from the Second District of the County of Los Angeles is connected to the C3 Initiative, and provides additional access to housing for homeless women in the Skid Row neighborhood.

On June 9, 2015, the Board of Supervisors moved to create a single, integrated jail health organizational structure and shift the entire Sheriff's Department Medical Services Bureau supervision and budget, including positions and Department of Mental Health staff services, to the Department of Health Services (DHS). The action was intended to dramatically improve quality and coordination of care while better facilitating successful re-entry into the community. Subsequently, the Board approved the creation of a diversion fund, to be administered by the new Office of Diversion. Of those funds, 40% is to be directed for housing; including for rapid re-housing and permanent supportive housing, along with related integrated supportive services. These housing activities are to be implemented in coordination with the Single Adult Model and Coordinated Entry System.

Additionally, the Board of Supervisors recently allocated \$10 million to the Department of Health Services' Housing for Health Division, to fund rapid rehousing for single adults who are not chronically homeless, including homeless single adults identified by the Coordinated Entry System.

Housing For Health Programs	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Probation Department

Breaking Barriers connects adult felony probationers and individuals connected to AB 109 resources in Los Angeles County with short-term rental subsidies for market-rate apartments while providing supportive services. With an initial investment of \$4.2 million, the Probation Department created the Breaking Barriers program to expand housing resources for homeless probationers. The pilot program provides short-term rental subsidies and supportive services to adults with felony offenses on probation in Los Angeles County. The program partners with the Department of Health Services' (DHS) Flexible Housing Subsidy Pool (FHSP), which is a supportive housing rental subsidy program designed to secure quality affordable housing for people experiencing homelessness in Los Angeles County.

Probation Department Housing Programs	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Department of Public Social Services (DPSS)

The Department of Public Social Services (DPSS) provides a number of shorter term and emergency assistance to homeless households. Many of these programs are available to homeless CalWORKs families and are intended to prevent homelessness. However, DPSS also invests in programs that assist individuals and families experiencing homelessness with housing resources.

To help meet the needs of homeless families, DPSS invests in the Family Solutions System (FSS), a new system of service delivery in Los Angeles County, developed to improve and expedite the delivery of housing and other supportive services to homeless families in Los Angeles County. The Family Solutions System (FSS) was developed by a collaboration of partner organizations and adopted in 2013 by the Los Angeles Homeless Continuum of Care. FSS provides families with services and housing supports, including rapid re-housing rental assistance through an investment by the County of Los Angeles Department of Public Social Services CalWORKs Housing Assistance Programs for families participating in Welfare-to-Work.

For individuals experiencing homelessness, DPSS operates the General Relief Housing Subsidy and Case Management Project (GRHSCMP). The program provides a short-term monthly housing subsidy to disabled General Relief (GR) participants pursuing Supplemental Security Income (SSI) or to GR participants who are employable.

Additionally, DPSS has partnered with DHS to provide investments into FHSP to expand the Single Adult Model (SAM) and provide access to housing for homeless individuals who are heavy utilizers of County services. Currently, the investment provides for approximately 330 individuals.

DPSS Housing Programs	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Department of Children and Family Services (DCFS)

The Department of Children and Family Services (DCFS) provides an array of time limited housing programs to youth exiting the foster care and probation systems. Because these programs are time-limited, and thus defined as transitional, they are not being included in for the purpose of this report.

However, DCFS does provide, in partnership with the Housing Authority, the Section 8 Family Unification Program, which combines the resources of the Housing Authority and the Department of Children and Family Services (DCFS). All families assisted under this program are referred to the Housing Authority for rental assistance by DCFS. DCFS, in turn, is responsible for providing a wide range of supportive services designed to keep families together and/or reunite families where minor children have been placed outside of the home. There are 250 vouchers set-aside for this program.

DCFS Housing Programs	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

### Board Discretionary Funds

The Los Angeles County Board of Supervisors' offices have access to discretionary funds available to support services and housing programs. The individual offices have invested in over the years in an array of service programs, initiatives as well capital projects.

The various investments have been made over the years through different County departments as well as through the Los Angeles Homeless Services Authority, and thus a comprehensive accounting is not readily available. However, the Los Angeles County Chief Executive Office may be the most appropriate to be responsible for tracking and providing Board Discretionary investment data to the annual housing report.

Board Discretionary Funded Affordable Housing Developments	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation?	
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	
Number properties funded only by County (if any)	
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	



## First 5 LA

First 5 LA is a leading early childhood advocate working collaboratively across Los Angeles County. First 5 LA was created in 1998 to invest Los Angeles County's allocation of funds from California's Proposition 10 tobacco tax. Since then, First 5 LA has invested more than \$1.2 billion in efforts aimed at providing the best start for children from prenatal to age 5 and their families.

Included in their investments, First 5 LA created a \$35 million Permanent Supportive Housing for Homeless Families initiative. The initiative aims to provide permanent supportive housing and related services for families that are homeless or at-risk of homelessness and that include at least one child prenatal-to-five-years-old. This countywide initiative helps stabilize families by providing rental assistance and other support services. In addition, First 5 LA has also provided capital funding for the development of five supportive housing projects.

First 5 LA Funded Supportive Affordable Housing Developments	
Number of properties and units added in last year (new construction vs. acquisition/rehabilitation)	
Average cost per unit in last year by project type, new construction vs. acquisition/rehabilitation?	
Number of properties and units recapitalized (preserved) in last year	
Number of properties and units added in prior years	
Number properties funded only by County (if any)	
Location by SPA of existing projects and units	
Demographics of households served	
Anticipated capital budget available for next year	

First 5 LA Housing Services Programs	
Income and Population(s) Served	
How many households and people were housed last year	
Cost per household and person served	
How many additional households will be housed this year?	
Demographics of people served	
How many participants left the program in the past year? What were the primary reasons for exiting the program (by %)?	

## Section 4. Neighborhood Accessibility and Vulnerability

This section offers specific geographic criteria that should be applied to development of recommendations about how to structure affordable housing investments. This section includes emerging analysis about neighborhood vulnerability to gentrification and displacement as well as vulnerability of buildings to earthquakes and the need for seismic retrofit. This Section would also identify opportunity areas for housing investment that would provide low-income residents higher access to jobs, transit, and services and amenities. Mapping of the various data in this section would provide the Coordinating Committee, CDC, and other County departments important information about where to invest affordable housing resources as well where resources have been invested in the past.

### Neighborhood and Property Vulnerability

This section highlights two forms of vulnerability that affect low income neighborhoods and rental housing serving lower income households. New analysis from UC Berkeley and UCLA offers data on neighborhood change, loss affordability, and gentrification, helping to identify vulnerable neighborhoods where low-income, renter households may face higher risk of displacement. Vulnerability to earthquakes represents another threat to rental housing serving lower income households and with more cities within the county taking action to address seismic vulnerability there is an opportunity to use property data and existing programs to inform County's efforts.

### Gentrification and Loss of Market Affordability

UCLA and UC Berkeley have collaborated on a project looking at displacement in Los Angeles County and the Bay Area with a special focus on neighborhoods around transit. Funded in part by the State's Air Resources Board (ARB), the project classifies neighborhood change over three decades and has already released a [map for the Bay Area](#) with downloadable information on gentrification risk by census tract. A similar map should be released in 2016 for Los Angeles County. This information at a tract level could highlight priorities for affordable housing preservation and development given gentrification risk for numerous neighborhoods.

### Seismic Vulnerability and Retrofit Need

Another consideration for investment is the need to protect existing rental housing serving lower income renters that is seismically unsound and in need of retrofit. The County can use existing data on the location of this vulnerable housing to support local and County efforts to improve these properties to prevent significant loss of housing in the event of a major earthquake.

## Access and Opportunity

The County has a chance to prioritize investment in housing that connects lower income residents to jobs, transit, and services, increasing opportunity and access that improve life outcomes and quality of life.

### Job Concentrations

The report can map job concentrations around the county and could prioritize housing investments in or near these job concentrations. Further considerations could include access to low- and middle-wage jobs that residents of affordable housing are more likely to work in. The “jobs-housing fit” research done by Chris Benner, formerly of the Center for Regional Change at UC Davis and now at UC Santa Cruz, shows the ratio of lower wage jobs to rental housing units affordable to low-wage workers, at a city and census tract level. The jobs-housing fit analysis helps to reveal areas where low income workers must travel farther to reach their jobs and where increased investment in affordable housing could benefit workers, employers, and traffic and greenhouse gas reduction efforts.

### Transit Access

With the County’s continuing build out of a more robust transit system, there is an opportunity to develop more housing in high quality transit served areas including light and heavy rail lines and rapid bus lines. High quality transit is typically defined as service at least every 15 minutes during peak commute times and service on weekend days as well. The County could target the half-mile around areas with high quality transit with special emphasis on metro rail and rapid bus stops that provide even faster service.

### Services and Amenities

Other important considerations include access to schools- especially high performing ones, hospitals and health clinics, full service grocery stores, and parks and recreation areas among other services and amenities. Access to these services is already prioritized in guidelines for LIHTC and other affordable housing programs but the County could further promote its own priorities for access and opportunity through its investment decisions

## Section 5. Principles and Categories for Affordable Housing Recommendations

The purpose of this report template is to provide the Coordinating Committee with a framework for using the best available information to assess the County's current deployment of affordable housing resources and consider possible adjustments to improve the effectiveness of these investments. Because the need for affordable housing resources by vulnerable populations in the County will always exceed supply, investment decisions will ultimately depend on the priorities set by the Board of Supervisors and Coordinating Committee as informed by the indicators in this annual report as well as input from key stakeholder groups.

Below are a number of categories that we urge the Coordinating Committee to consider in evaluating the implications of the dashboard indicators as they are implemented in 2017 prior to making recommendations on how best to deploy the County's strategic investment to maximize affordable housing production and preservation on behalf of the most vulnerable residents. These categories offer ways to organize recommendations as well as principles to inform development of effective recommendations for the use of the County's affordable housing funds.

### Increasing Alignment of New Affordable Housing Investment with Existing County Initiatives and State and Federal Programs

The concept of alignment is important across all of the categories in this section. The Affordable Housing Coordinating Committee should build on existing initiatives and policy priorities while looking for synergies between local goals and initiatives and federal and state programs. For example, the County has already done an extensive amount of work to develop a variety of housing and service strategies, particularly for the homeless population and the high service utilizer homeless population. The County should try to look for opportunities to increase the alignment of existing programs and strategic planning that has already been done by County agencies and among cities and regional agencies.

### Maximize the Use of Existing Federal and State Funding Resources Available to Los Angeles County

As presented in the inventory and dashboard, the County is currently benefitting from the use of various federal, state, and local affordable housing funding sources. The County should seek to maximize these resources available by aligning the County's investments with these dollars and finding ways to attract more of these dollars to the County. Depending on the funding available in a given year, examples may include:

1. Increasing the leveraging of federal 4% Low Income Housing Tax Credit's by focusing limited local capital and operating funds in order to make more 4% transactions financially feasible.

2. Working with developers and local governments and transit agencies to develop a pipeline of transit-oriented developments that will be able to compete effectively for state Affordable Housing and Sustainable Communities (AHSC) funds.
3. Laying the groundwork for as many viable applicants for the state's Veterans Housing and Homeless Prevention (VHHP) program as possible until homelessness among veterans has been eliminated.
4. Thinking creatively about the best use of County Proposition 63 Mental Health Service Act (MHSA) funding to leverage any available state MHSA or similar funding.

### **Preservation as Cost Effective Component of Affordable Housing Investment Plan**

Preservation can cost half to two-thirds as much as new construction while protecting existing affordable housing investments and ensuring that existing lower income families remain housed and are not displaced. While preservation does not increase the total housing stock, it can deepen and lengthen affordability protections while allowing current low-income tenants to remain in place. Accordingly, the County should prioritize preservation of rent-restricted affordable housing at-risk of conversion to market rate for investment in the interest of protecting prior investments and stabilizing low-income communities.

### **Reducing GHGs and Improving Access and Opportunity**

The County's affordable housing efforts should align with the County's commitments to expanded transit investment as well as state efforts to align land use and transportation planning to reduce greenhouse gases (GHGs). The expanding transit network in the county, as well as the availability of new state programs such as the AHSC program funded by state cap-and-trade dollars, highlight the need for the County to think strategically about where it is locating its housing investments. In addition to transit, areas in or near job centers and with reduced commute times can be an important focus in locating affordable housing developments. Access to educational, health care facilities, and other services and amenities will also increase quality of life for affordable housing residents as well as opportunities for economic mobility. The County should consider the best way of strategically using its housing investments to provide access to these resources for lower income households as well as capitalizing on expanding transit in low-income communities.

### **Incentivizing Local Funds and Aiding Resource Poor Areas**

The County should consider the best ways of capitalizing on existing efforts in cities that have dedicated funding streams of affordable housing dollars and incentivize cities with more wealth that have not dedicated resources for affordable housing to invest more. The County should also consider using its investments to aid parts of the County, such as the unincorporated areas or lower income cities, that otherwise have limited resources for housing investment. In order to be able to employ both strategies successfully, the County will need to maximize the leveraging of federal and state resources as described above.



### **Publicly Owned and Buildable Sites Suitable for Housing**

Available and suitable sites for housing may be identified through the Long Range Property Management Plans published by County jurisdictions that had Redevelopment Agencies. These plans detail the properties owned by the former Redevelopment Agencies and their disposition after the dissolution of Redevelopment Agencies in 2008. Properties marked for 'Future Development' or 'Sale of Property' that are not reserved for government use or to fulfill an enforceable obligation should be considered as potential available, publicly owned sites for affordable housing development.

# Glossary

**Above Moderate Income Households** – households that earn more than 120% of Median Income.

**Affordable and Available Unit** – a unit currently occupied by a household in that income group or vacant at an affordable rent.

**American Community Survey (ACS)** – an ongoing, annual survey conducted by the U.S. Census Bureau that collects information such as employment, education, and housing tenure to aid community planning efforts.

**Annual Homeless Assessment Report (AHAR)** – a report to the U.S. Congress on the extent and nature of homelessness in the U.S. that provides local counts, demographics, and service use patterns of the homeless population. AHAR is comprised of Point-in-Time (PIT) counts, Housing Inventory Counts (HIC), and Homeless Management Information Systems (HMIS) data.

**At-Risk Properties** – affordable housing properties that are nearing the end of their affordability restrictions and may convert to market-rate rents.

**California Department of Housing and Community Development (HCD)** – a state level government agency that oversees a number of programs and allocates loans and grants to preserve and expand affordable housing opportunities and promote strong communities throughout California.

**California Housing Finance Agency (CalHFA)** – California's affordable housing bank that provides financing and programs that support affordable housing opportunities for low to moderate income households.

**California Tax Credit Allocation Committee (TCAC)** – state level committee under the California Treasurer's Office that administers the Federal and State Low-Income Housing Tax Credit (LIHTC) Program.

**Commercial/Jobs-Housing Fees** – locally enacted impact fees on new commercial development to ameliorate some of the housing impacts these projects generate as measured by a nexus study. The types of developments, the amount of the fee, exemptions, and terms of payment may vary to reflect the needs of the jurisdiction.

**Comprehensive Housing Affordability Strategy (CHAS)** – data from the U.S. Census Bureau that shows the extent of housing need and housing problems that is unavailable through standard Census American Community Survey (ACS) products. CHAS data is based on 5-year

ACS data, providing a larger sample size, and is available for a number of geographies, but lags behind current trends and is heavily influenced by prior years.

**Community Development and Block Grant (CDBG) Program** – program under the U.S. Department of Housing and Urban Development (HUD) that provides annual grants to local governments and States for community development needs. Grants must benefit low and moderate income individuals and households through investments in housing, economic opportunities, and suitable living environments.

**Continuum of Care (CoC) Program** – program designed by the U.S. Department of Housing and Urban Development (HUD) to promote communitywide commitment to ending homelessness by funding efforts to rehouse homeless individuals and families, promote access and increase utilization of existing programs, and optimize self-sufficiency of those experiencing homelessness. CoC was authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) and is a consolidation of the former Supportive Housing Program (SHP), Shelter Plus Care (S+C) Program, and the Section 8 Moderate Rehabilitation Single Residence Occupancy (SRO) Program.

**Cost Burden Analysis** – looks at the percentage of income paid for housing by households at different income levels. A housing unit is considered affordable if housing costs absorb no more than 30% of the household's income. A household is cost burdened if they pay more than 30% of their income towards housing.

**Department of Veterans Affairs Medical Centers (VAMC)** – health centers where veterans can receive medical care, and case management and clinical services under HUD-VASH are provided.

**Extremely Low Income (ELI) Households** – households that earn between 0%-30% of Median Income.

**Fair Market Rent (FMR)** – limits set by the U.S. Department of Housing and Urban Development (HUD) to determine what rents can be charged in their Section 8 certificate program and the amount of subsidy that is provided to Section 8 Housing Choice Voucher (HCV) recipients. Limits are set using the U.S. Decennial Census, the American Housing Survey (AHS), gross rents from metropolitan areas and counties, and from the public comment process. These limits can be adjusted based on market conditions within metropolitan areas defined by the Federal Office of Management and Budget (OMB) to accommodate for high-cost areas.

**Gap (or Shortfall) Analysis** – a comparison of the number of households in an income group to the number of homes affordable and available to them at 30% or less of their income; “available” units are those occupied by a household in that income group or vacant at an affordable rent.

**Geographic Information Systems (GIS)** – software that facilitates the visualization, analysis, and interpretation of data to better understand geographic relationships, patterns, and trends.

**HOME Investment Partnership Program (HOME)** – program within the U.S. Department of Housing and Urban Development (HUD) that provides formula grants to states and localities that communities use to fund a wide range of activities for community development. These funds are often used in partnership with nonprofit groups and are designed exclusively to create affordable homes for low income households.

**Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act)** – federal legislation that reauthorized the McKinney-Vento Homeless Assistance Act and consolidated the Supportive Housing Program (SHP), the Shelter Plus Care (S+C) Program, and the Section 8 Single Resident Occupancy (SRO) Program into the Continuum of Care (CoC) Program. The legislation also created the Emergency Solutions Grants Program, the Homeless Management Information System (HMIS) and the Rural Housing Stability Assistance Program.

**Homeless Management Information Systems (HMIS)** – a local technology system that collects client-level data and data on the provision of housing and services to homeless individuals and families and persons at-risk of homelessness. HMIS is used for Continuum of Care (CoC) Programs and Annual Homeless Assessment Reports (AHAR).

**Housing and Community Investment Department of the City of Los Angeles (HCIDLA)** – performs the functions of the old Los Angeles Housing Department and the Los Angeles Community Development Department as of 2013. This department also acts as the Successor Agency to the dissolved Community Redevelopment Agency of Los Angeles (CRA/LA).

**Housing Authority of the City of Los Angeles (HACLA)** – public housing authority for the City of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing properties within the jurisdiction.

**Housing Authority of the County of Los Angeles (HACoLA)** – public housing authority for the County of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing properties in the unincorporated areas of the County as well as in jurisdictions without a designated housing authority.

**Housing Impact Fees** – locally enacted impact fees on new, market-rate residential development to mitigate the additional demand for affordable housing the development creates as determined by a nexus study.

**Housing Inventory Counts (HIC)** – the number of beds and units within the Continuum of Care Program's homeless system within emergency shelters, transitional housing, rapid re-housing, Safe Haven, and permanent supportive housing.

**Housing Opportunities for Persons with AIDS (HOPWA)** – a program managed by the U.S. Department of Housing and Urban Development’s Office of AIDS and Housing to provide housing assistance and related supportive services for low income persons with HIV/AIDS and their families. Funding can be used for housing, social services, program planning, and development costs.

**Housing Set-Aside Redevelopment Funds** – 20% of the collected tax increment funds from redevelopment reserved for the preservation, improvement, and increase of the community’s affordable housing supply. These were typically deposited in a Low and Moderate Income Housing Fund.

**Inclusionary Housing Properties** – affordable housing units that are produced or funded by market-rate residential developments that are subject to local inclusionary zoning or policies

**Length of Affordability** – the agreed upon time frame or “control period” at which a unit is to remain affordable, the duration of which can vary based on the type of subsidy or agreement attached to the unit.

**Los Angeles Community Development Commission (CDC)** – awards a number of capital resources through an annual Notice of Funding Availability (NOFA) primarily from funds allocated by the Board of Supervisors and HOME funds.

**Los Angeles Homeless Services Authority (LAHSA)** – an independent Joint Powers Authority created by the Los Angeles County Board of Supervisors to coordinate federal and local funded efforts to provide services to homeless individuals throughout Los Angeles City and County. This agency also manages Los Angeles’ Continuum of Care (CoC) Program.

**Low Income (LI) Households** – households that earn between 50%-80% of Median Income

**Low Income Housing Tax Credits (LIHTC)** – tax credits financed by the federal government and administered by state housing authorities like the California Tax Credit Allocation Committee (TCAC) to subsidize acquisition, construction, and rehabilitation of properties for low-income households.

**Moderate Income Households** – households that earn between 80%-120% of Median Income

**Permanent Supportive Housing** – long-term, permanent housing for individuals who are homeless or have high service needs.

**Pipeline Units** – units within housing developments that have submitted applications, received entitlement, or have an approved building permit from their respective planning department or department of building inspection, or are under construction.



**Point in Time (PIT) Count** – a jurisdictional count of homeless persons inside and outside of shelters and housing during a single night. This measure is a requirement for HUD’s Continuum of Care Program as authorized by the McKinney-Vento Homeless Assistance Act.

**Project-Based Voucher (PBV) Program** – vouchers provided by public housing agencies through the Housing Choice Voucher (HCV) Program that are tied to a specific property rather than attached to a tenant. The PBV Program partners with developers and service providers to create housing opportunities for special populations such as the homeless, elderly, disabled, and families with mental illness.

**Public Use Microdata Sample (PUMS)** – annual, untabulated records of individuals or households that serve as the basis for the Census ACS summaries of specific geographic areas and allow for data tabulation that is outside of what is available in ACS products.

**Public Use Microdata Sample Area (PUMA)** – geographic area at which the untabulated PUMS data is available in order to maintain the privacy of the individuals surveyed. PUMAs are comprised of multiple Census Tracts and have at least 100,000 people.

**Redevelopment Agency (RDA)** – agencies created by the Community Redevelopment Act in 1945 to perform urban renewal on blighted areas through investments in housing and community development. RDAs were dissolved in 2011 and Successor Agencies were created to oversee the winding down of RDA dissolution at the local level.

**Regional Housing Need Allocation (RHNA)** – the total number of housing units by affordability level that each jurisdiction must accommodate as defined by California Housing and Community Development (HCD), and distributed by regional governments like the Southern California Association of Governments (SCAG).

**Rent Stabilization and Rent Control** – a government mandated ceiling or maximum price that a landlord may charge or raise rent on tenants.

**Section 8 Housing Choice Voucher (HCV) Program** – program where HCVs funded by the U.S. Department of Housing and Urban Development (HUD) are provided to low income renters with a subsidy to help them afford market rentals by paying the difference between what the tenant can afford (30% of their income) and the market rent. Eligibility is determined by the household’s annual gross income and family size and the housing subsidy is paid directly to the landlord.

**Section 8 Single Room Occupancy (SRO) Program** – former program under the U.S. Department of Housing and Urban Development (HUD) that provided rental assistance in connection with the moderate rehabilitation of residential properties that will contain upgraded single occupancy units for homeless individuals. This program was consolidated by

the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

**Service Planning Area (SPA)** – an area defined for health care planning purposes with a designated Area Health Office that is responsible for planning public health and clinical services according to the health needs of local communities.

**Severely Cost Burdened** – when housing costs consume more than 50% of household income a household is considered severely cost burdened.

**Shelter Plus Care (S+C) Program** – a former program under the U.S. Department of Housing and Urban Development that provided rental assistance in connection with matching supportive services. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

**Southern California Association of Governments (SCAG)** – a Joint Powers Authority that serves as the Metropolitan Planning Organization (MPO) for Imperial County, Los Angeles County, San Bernardino County, Riverside County, Orange County, and Ventura County and their associated jurisdictions.

**Successor Agency** – established after the dissolution of Redevelopment Agencies (RDAs) in 2011 to manage redevelopment projects that were underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

**Supportive Housing Program (SHP)** – former program under the U.S. Department of Housing and Urban Development (HUD) that helped develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

**U.S. Department of Housing and Urban Development (HUD)** – a federal agency that supports community development and home ownership, enforces the Fair Housing Act, and oversees a number of programs such as the Community Development Block Grant (CDBG) and the Housing Choice Voucher (HCV) Program to assist low income and disadvantaged individuals with their housing needs.

**U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program** – a program that combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA). Rental assistance is provided through VASH vouchers that act as tenant-based vouchers and are allocated from public housing authorities (PHAs).

**Very Low Income Households** – households that earn between 30%-50% of Median Income.

## PRELIMINARY REPORT ON LOCAL HIRE/SOCIAL ENTERPRISE

The Community Development Commission (CDC) compiled the following information to assist the Affordable Housing Coordinating (Committee) in assessing the feasibility of implementing local hire requirements and requirements for hiring from social enterprise in the construction, operation and maintenance of affordable housing developments, as well as the possibility of requiring certification of affordable housing operations and maintenance employees on all capital projects supported by the Affordable Housing Programs budget unit. The Committee discussed this information at its March 17, 2016, meeting and determined that additional research into these programs would be helpful and that future reports should take into account other countywide efforts to promote economic development.

### Information Compiled by the CDC

#### *A. Feasibility of Implementing Local Hire Requirements:*

Proponents of local hiring programs cite the benefits of creating local job opportunities, assisting disadvantaged workers, reducing the environmental impact created by longer commutes to jobs, and assuming that wages are reinvested into the local community. Opponents have identified that a local hiring requirement results in construction cost increases due to the added administrative burden of recruitment, monitoring, and reporting, typically by a labor consultant; and may necessitate layoffs of regular employees to accommodate the requirement to hire locally.

In addition to conducting community outreach and approaching workforce boards, the recruitment of skilled tradesman and apprentices can be facilitated by working with union halls to identify eligible union laborers that reside in the targeted local community. The availability of a database of union members facilitates this effort. This would both meet the intent of investing local dollars back into the community and identify appropriately skilled labor to meet the needs of the contractor.

Additional efforts need to be made by the contractor to locate qualified disadvantaged workers with the desired skills. A disadvantaged local worker is typically defined as one who has experienced protracted unemployment and falls into one or more of the following categories: lives in poverty (has a household income of less than 50% of area median income); has no high school diploma or GED; has a history of incarceration, is a current recipient of social services benefits; is homeless; or is a low income single custodial parent. This definition should also extend to homeless or formerly homeless individuals, veterans and former foster youth. While there is no current, countywide infrastructure to facilitate the recruitment of qualified disadvantaged workers; social enterprises hold promise as an appropriate vehicle.

Given the added administrative burden noted above, CDC contracted-developers report incurring additional costs averaging approximately \$40,000/project in consultant expenses for the provision of Local Hire services. This additional burden on the development of affordable housing could be alleviated through a centralized database of local and disadvantaged workers, which would identify those who have successfully received training through demonstrably effective workforce development programs. An example of such a program is the City Source program administered by the City of San Francisco.

The CDC cites caution when multiple public funding sources are braided by developers to support capital projects, particularly in the case of funds from the U.S. Department of Housing and Urban Development (HUD) whose regulations appear to preclude local hire geographic preferences and/or targets. This concern could be mitigated by establishing goals rather than quotas, and requiring the demonstration of a good-faith effort. Due to the potential need by developers to access multiple public funding sources, the County must be cognizant of the implications of imposing requirements that may restrict access to some public funding. That said, other jurisdictions, such as San Francisco and Oakland, have successfully established city-wide local hiring requirements for both public works and privately-funded projects receiving public funds. Additional time is required to look into these programs to determine how those jurisdictions have been able to implement local hire preferences, while complying with federal funding regulations.

*B. Feasibility of Hiring from Social Enterprises in the Construction, Operation, and Maintenance of Affordable Housing Developments:*

The Social Enterprise Alliance defines a social enterprise as an organization or venture that advances its primary social or environmental mission using business methods and directly addresses social needs through their products and services or through the numbers of disadvantaged people they employ. According to the Roberts Enterprise Development Fund (REDF), a California-based non-profit organization focused on investing capital and expertise in mission-driven organizations, it is important that social enterprises not only provide employment training, but also incorporate case management and wrap-around supportive services, including housing stability, access to benefits, basic job readiness training, and assistance with child care. This overarching approach to assisting disadvantaged individuals with both employment and independent living skills greatly increases the opportunities for transformative success for these individuals. A recent study prepared by REDF (Addendum1) provides additional background on the socio-economic benefits of social enterprise.

There are a number of social enterprises in Los Angeles that could provide effective vehicles for entry-level positions and potential journeyman careers in affordable housing operations. Examples of successful social enterprises in Los Angeles County include:

- Chrysalis Enterprises, providing employment opportunities to economically disadvantaged and homeless individuals through their in-house staffing business that provides street and building maintenance, janitorial, warehouse, front desk and general staffing solutions;
- Coalition for Responsible Community Development Enterprises, providing job creation opportunities for low-income residents in South Los Angeles by offering multiple services, including graffiti removal, decorative painting, moving and hauling, maintenance, and power washing and sand blasting; and
- Homeboy Industries, founded as a means of providing employment training for former gang members that now comprises multiple businesses, including a bakery, a silkscreen and embroidery enterprise, a cafe and catering enterprise, and a diner.

C. Requiring Certification for Affordable Housing Operations and Maintenance Employees:

If the intent is to require expanded education for staff currently engaged in providing housing operations and maintenance, the National Affordable Housing Management Association offers professional certifications with an emphasis in affordable housing, occupancy monitoring, fair housing, maintenance, and property management. Otherwise, no information was readily available regarding potential employment certifications for affordable housing operations and maintenance for those with no prior work experience. Depending on the type of training identified as having the most practical application, social enterprises or other employment training organizations could be approached to create such a certification program.

D. Recommendations:

The CDC provided the following recommendations for consideration and potential adoption into a larger local hire/social enterprise countywide policy:

- Offering incentive points to Notice of Funding Availability (NOFA) proposals that include a commitment to hire facilities management or other staff via local social enterprises. Organizations such as Chrysalis provide employment training for positions such as front desk and lobby staff, custodial, handy person, and grounds maintenance.
- In service plans for populations in which employment programs are required, the County can either require or offer incentive points to plans that include documented commitments between the lead service provider and a local social enterprise entity to facilitate job training and placement for project residents. For family projects, this requirement should include specific plans for both adults and teenagers first entering the workforce. To assist proposers new to this resource, links can be provided, like this one, in the NOFA: <http://ewddlacity.com/index.php/employment-services/la-rise>. As all areas of the County may not be served by social enterprise organizations, an exception can be considered to allow proposers to certify that there are no social enterprise programs in the project area, subject to verification by appropriate County and city agencies.
- Encouraging social enterprise operations on-site, including project management hiring and entrepreneurial opportunities. The Downtown Women's Center is a good example of a permanent supportive housing project with social enterprise opportunities on site; residents demonstrate their commitment to green practices by artfully turning items that could easily end up in a landfill into usable housewares and residents have employment opportunities in the retail store and adjacent snack shop.
- Include a financial incentive in the NOFA to subsidize the cost of a labor consultant to provide local hire services.
- Implement a coordinated effort by all County departments and agencies to adopt a countywide local worker hiring and social enterprise program. The County should consider the following proposals:
  - Creation of a County office or engagement of an organization to administer both a centralized local worker hiring program and database for referrals to social



enterprises. The City of San Francisco has both a rigorous job training and centralized local hire referral program called CityBuild, managed by the Office of Economic and Workforce Development. Social enterprises provide referrals to the database.

- Bi-annual County-hosted employment fairs which would enable contractors with pipeline projects an opportunity to accept applications from local, disadvantage residents.
- Establishment of a County-sponsored job training program, replicating the successful Maintenance Assistance and Services to Homeowners (MASH) program sponsored by the City of Pasadena. Said program is currently saving the city over \$500,000 annually and providing job training for 35-50 individuals. The establishment of such a program should target disadvantaged workers including, e.g., homeless or formerly homeless individuals, veterans and former foster youth. CDC's recommendations will be evaluated more thoroughly in the follow-up actions and will be shared with partnering agencies working on a holistic economic development plan for the County.

#### Follow-up Actions

- The Chief Executive Office will consult with the CDC, Regional Planning, Public Works, Los Angeles County Economic Development Corporation, Department of Consumer and Business Affairs, and non-profit stakeholders, such as PVJOBS, Women in Non-Traditional Employment Roles and YouthBuild, to solicit input on the following questions:
  - How should we define local for purposes of a local hire policy?
  - What types of workers should we try to target?
  - How should local workers be recruited?
  - How should contractors and, if applicable, developers be held accountable?
  - What infrastructure does the County need to build to create the most effective local hire program?

Answers to these questions, in conjunction with CDC's recommendations, will help inform the collective effort to craft a strong recommendation on implementing a countywide local hire program that meets the needs of the County.

- Conduct additional research into San Francisco's and Oakland's local hire programs to determine how they balance federal funding regulations with local hire provisions. At the local level, gather information from the Los Angeles Metropolitan Transportation Authority (MTA) on a recent MTA local hire pilot to obtain additional insight into how the MTA implemented local hire preferences in a manner consistent with federal funding regulations.
- Request a legal opinion from County Counsel regarding federal funding regulations in concert with local hiring provisions and how to harmonize these potentially conflicting requirements.
- Conduct additional research on certification programs for affordable housing operations and maintenance employees.

A follow-up report will be submitted to the Board on July 29, 2016.



# InFOCUS

Nan Maxwell, Dana Rotz, and Adam Dunn

## Social Enterprises, Economic Self-Sufficiency, and Life Stability

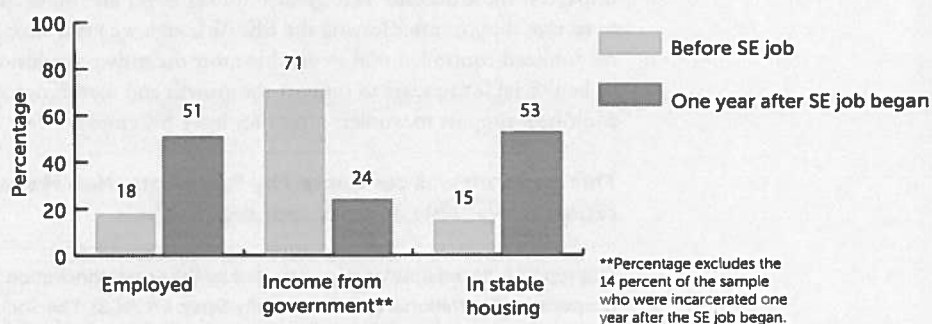
Social enterprises (SEs) are mission-driven businesses focused on hiring and assisting people who face barriers to work. In 2011, REDF funded organizations in California to expand and support SEs and commissioned an evaluation to assess this approach. This brief highlights key findings from an outcomes evaluation of 282 SE workers in seven REDF-supported organizations; an impact evaluation comparing outcomes for 154 SE workers and 37 work-eligible individuals not hired by the SE at one organization; and an accompanying cost-benefit analysis.

### SOCIAL ENTERPRISES HELPED IMPROVE ECONOMIC SELF-SUFFICIENCY AND LIFE STABILITY OUTCOMES

Results from the outcomes analysis suggest that SEs may help workers gain employment and move toward economic self-sufficiency and life stability; however, the impact-study results are inconclusive, in part because of small samples. As Figure 1 shows, in the year after workers began their SE jobs:

- **Employment increased from 18 to 51 percent.** The impact study suggests these changes might represent some improvement in workers' employment status relative to a comparison group.
- **The percentage of total income from government transfers decreased from 71 to 24 percent.** Evidence from the outcomes study suggests that SE workers had higher income one year after their SE jobs began. Total monthly income increased by 91 percent, from \$653 to \$1,246. Most of this growth stemmed from increases in wage and salary income, but other sources of income also shifted during the period.
- **The share of SE workers living in stable housing increased from 15 to 53 percent.** However, in the impact study, the estimated change in housing stability was not greater for SE workers than for those who did not work in the SE, even though the change was statistically significant for SE workers.

The social enterprise experience is associated with a tripling of the employment rate.



**Figure 1. Self-sufficiency and life stability one year after the SE job began**

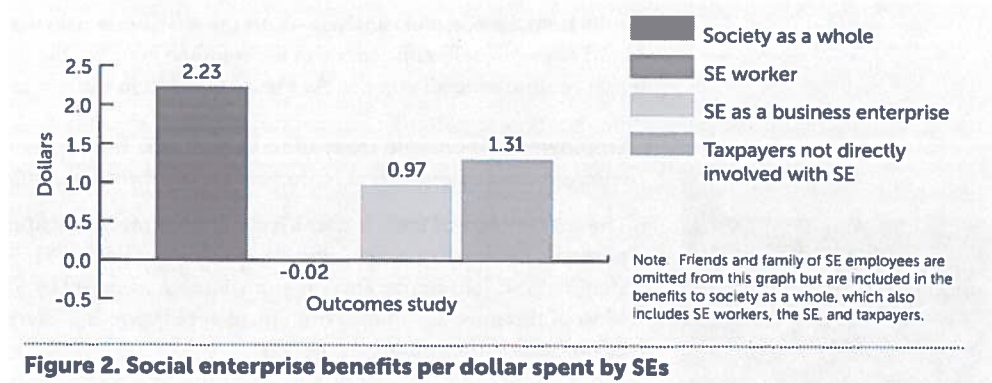
## SELF-SUFFICIENCY AND LIFE STABILITY INCREASED WITH SUPPORT RECEIVED AFTER LEAVING THE SOCIAL ENTERPRISE

About two-thirds of workers reported that they received supports *after* they left the SE, including continued access to case management and services to help with work and life stability barriers. Compared with workers who did not receive these additional services, workers who left the SE and received them reported a 21 percentage point increase in the likelihood of housing stability, a \$428 increase in total monthly income, and a 0.68 standard deviation decrease in the depression index one year after the SE job began. Although results suggest a relationship between these supports and the life stability measures, we cannot conclude that these services caused the differences because they might be driven by factors that are not captured in the analysis (for example, motivation) that would affect both the SE experience and outcomes.

## THE SOCIAL ENTERPRISE EXPERIENCE ADDS VALUE TO SOCIETY

The outcomes analysis suggests that SEs in REDF's portfolio provide a net benefit to society, as depicted in Figure 2. For every dollar the SE spent, the return on that investment was \$2.23 for society as a whole. This includes benefits of \$1.31 to taxpayers from reductions in government transfer payments and increases in revenues, in addition to benefits to the SE business. Workers, however, actually incur a small loss from SE employment. Although they gain in terms of economic self-sufficiency and life stability, their gains do not exceed losses associated with reduced government transfers and lower public subsidies for housing. The SEs, as business enterprises, roughly break even. Looking across SEs, we find substantial variation; the smaller and newer SEs that we studied do not yet appear to produce net benefits to society.

The overall social return on investment in an SE was 123 percent, meaning each dollar the SE spent generated \$2.23 of value for society as a whole.



## LOOKING AHEAD

This evaluation provided evidence that SEs can produce value to society and a net benefit to taxpayers. These benefits were greater among larger and older SEs and for individuals who continued to receive support after leaving the SE. Although we need stronger evidence grounded in a randomized controlled trial to provide more definitive conclusions, our results suggest that it may be beneficial for funders to support the growth and maturation of SEs, as well as SEs' provision of additional support to workers after they leave SE employment.

**This research was conducted by Dana Rotz, Nan Maxwell, and Adam Dunn. The full report is available at [www.redf.org/finalmjs](http://www.redf.org/finalmjs).**

This report is based upon work supported by the Social Innovation Fund (SIF), a program of the Corporation for National and Community Service (CNCS). The Social Innovation Fund combines public and private resources to grow the impact of innovative, community-based solutions that have compelling evidence of improving the lives of people in low-income communities throughout the United States.





# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

SACHI A. HAMAI  
Chief Executive Officer

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MARK RIDLEY-THOMAS  
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Third District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

August 1, 2016

To: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Sachi A. Hamai  
Chief Executive Officer

## **DEVELOPMENT OF A COUNTYWIDE LOCAL WORKER HIRE POLICY BOARD MOTION OF OCTOBER 27, 2015, AGENDA ITEM NO. 21 AND BOARD MOTION OF FEBRUARY 9, 2016, AGENDA ITEM NO. 47-A**

Over the last few months, the Board of Supervisors approved the following motions regarding the development of local worker hire policies:

- On October 27, 2015, the Board instructed the Affordable Housing Coordinating Committee to report back with an assessment of the feasibility of implementing local worker requirements, and requirements for hiring social enterprises in the construction, operation, and maintenance of affordable housing development, and the possibility of requiring certification for affordable housing operation and maintenance employees on capital projects supported by the Affordable Housing Programs Budget Unit.
- On February 9, 2016, the Board directed the Chief Executive Office (CEO), working with County Counsel and the Director of Public Works, to develop a Countywide local worker hiring policy for Board approval that, to the extent possible, applies to all capital projects undertaken as part of this Homeless Initiative, as well as County construction projects with a project budget greater than \$2.5 million. In addition, the policy is to mandate that a minimum percentage of all project hours be performed by disadvantaged workers, including, e.g., homeless or formerly homeless individuals, veterans, and former foster youth.

This memorandum is a response to the Board's motions above with the goal of developing a Countywide local worker hiring policy that applies to all County-sponsored construction projects, which is the common theme between the motions. In a memo sent to the Board

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on July 29, 2016, the Affordable Housing Coordinating Committee indicated that they will address social enterprise hiring in construction, operation, and maintenance of affordable housing in a separate report. To that end, this memorandum provides the following:

- County's Recent Local Worker Hiring Efforts;
- Review of Other Local Worker Hiring Programs;
- Implementation Strategy; and
- Recommendations.

#### County's Recent Local Worker Hiring Efforts

In 2009, the Board authorized a Local Worker Hiring Program policy that established a 40 percent good-faith hiring goal for local residents within a 15-mile radius of the project site for all Job Order Contract projects implemented by the Department of Public Works (Public Works). Since 2010, Public Works has included local worker hiring requirements in 28 design-bid-build and design-build projects. The requirements have typically imposed a 30 percent mandatory or good-faith effort on a project-by-project basis, as determined by the Board, with a two-tiered preference criteria consisting of a 5-mile radius and a second tier of areas with high concentrations of unemployment.

In March 2011, the Board approved a motion directing the Community Development Commission (CDC) to make available to the Board a monthly report for CDC-financed new housing developments of \$10 million or more total project cost, on the retention by contractors of workers living within a 5-mile radius and in communities within Los Angeles County ZIP Codes with unemployment rates exceeding 150 percent of the County average.

In November 2015, the Board approved the Local Worker Hiring Program for Veterans policy, which requires contractors receiving County construction contracts with a value greater than \$2.5 million to make good-faith efforts to reach the goal of 5 percent of California project labor hours being performed by qualified veterans and their spouses.

#### Review of Other Local Worker Hiring Programs

In the development of the County policy for County construction projects, the team tasked with this response, comprised of staff from the CEO, County Counsel, and Public Works, reviewed policies from eight other public agencies, including the Los Angeles County Metropolitan Transit Authority, City of Los Angeles, Los Angeles Unified School District, Los Angeles Community College District, neighboring counties, and the City and County of San Francisco. The team also considered potential policy requirements beyond those specified in the February 9, 2016 Board motion to determine if any would positively impact a greater number of County residents and minimize the impact of the implementation and management of the policy.

The review of the public agencies found that local hiring goals range from 30 to 50 percent with a wide range of definitions for local residency and qualifications. In addition, disadvantaged worker definitions vary in specifics, but follow a similar intent or purpose.

### Implementation Strategy

To date, the County's two local worker hiring policies for County construction projects have been applied solely to projects implemented by Public Works. In addition, local worker hiring goals have been implemented for projects receiving CDC-administered loans for affordable housing developments with a total development cost exceeding \$10 million.

In order to provide maximum benefit to County residents, it is the team's recommendation that a uniform Countywide policy be adopted and extended to County construction projects delivered by all County departments and agencies.

The team also collaborated with the Affordable Housing Coordinating Committee to assess the feasibility of extending uniform policies to affordable housing. The result of this collaboration is that affordable housing projects should have a local hire goal based on best efforts because of the unique nature of the CDC's participation as a lender to such projects. In affordable housing, the CDC does not directly contract with vendors or firms for goods and services. Instead, the CDC makes loans to affordable housing developers, who then contract with general contractors, subcontractors, architects, engineers, and other professional firms to carry out the projects. These projects are complex and often have multiple sources of funds, including federal funds. These federal funds do not permit preference programs other than those stipulated by that fund, but they do allow for a local hire program based on best efforts and hiring goals.

When a project only uses local funds, the CDC would be able to mandate a local hiring component for projects. However, stringent requirements may add costs to these affordable housing projects. Developers loathe to increase project costs because the California Tax Credit Allocation Committee limits costs that are added to a project's tax credit basis. Additionally, until now, local hire programs have not applied to all projects, and many developers are unfamiliar with the requirements of such programs and tracking methods. It would be advisable to introduce a local hire program in a measured fashion, enabling the local developers to better incorporate such a program into operations. Finally, the CDC currently tracks Section 3 compliance for federally-funded projects and introducing another employment tracking requirement may be overly burdensome. Instead, the CDC should incorporate Section 3 and the County's local hire components into one hiring program requirement and set best effort goals for all projects so multiple hiring practices do not need to be established when funding sources change. This should also

apply to the Housing Authority of the County of Los Angeles (HACOLA) projects which, due to their HUD funding, are also subject to Section 3 compliance.

To establish the basis of income eligibility criteria for the County's mandatory Local Worker Hiring Program, the team recommends the use of federal Poverty Level (FPL) data. This is the standard currently utilized to determine benefit program eligibility by other County departments, such as the Department of Public Social Services. The local worker policy would utilize qualifying ZIP Codes where the average percentage of households living below 200 percent of the FPL is greater than the County average for such households.

In assessing the thresholds, the team evaluated construction projects contracted by Public Works, between November 2014 and November 2015, to identify opportunities where implementation of local worker requirements could provide additional benefits above and beyond the Board-directed scope. This assessment identified that projects between the \$500,000 and \$2.5 million threshold could provide additional opportunities for County residents to economically benefit from the construction of County infrastructure. This would expand the influence of the program to include approximately 93 percent of capital improvement dollars.

With the establishment of a Countywide program that applies to all County departments, commissions, and agencies delivering projects, it is also appropriate to establish central oversight of the program, while departments, commissions, and agencies are responsible for reporting and compliance activities. An oversight structure will be proposed as part of the action seeking approval of the policy.

### Recommendations

The specific recommendations for the County's Local Worker Hiring Policy (LWHP) are as follows:

**Consolidation of Local Worker Hiring Policies** - Combine the County's existing local worker hiring policies into a new single policy applicable to all departments, commissions, and agencies delivering County capital and construction projects with a project budget in excess of \$2.5 million.

### **Local Worker Hiring Requirement -**

- For all projects with a project budget greater than \$2.5 million, with the exception of affordable housing projects, at least 30 percent of total California construction labor hours worked on each project must be performed by a qualified local resident. Where allowable, contractors shall be encouraged to achieve higher participation levels for local residents.



- For all projects with a project budget of \$500,000 to \$2.5 million, with the exception of affordable housing projects, there shall be a good-faith local resident hiring goal of 30 percent.
- For affordable housing projects and mixed-use affordable housing projects that include County-funded facilities receiving funds administered by CDC, and HACOLA projects, all having a project budget greater than \$2.5 million, there shall be a good-faith local worker hiring goal of 30 percent of total California construction labor hours. Exceptions for projects in jurisdictions enforcing their own local hiring policy and for projects with federal or State funding prohibitions on geographic preferences will be established on a case-by-case basis. This would also apply to other County-funded affordable housing programs, such as the Mental Health Services Act administered by the Department of Mental Health (Mental Health).

**Definition of Local Resident** - A local resident is defined as an individual living within the Tier 1 or Tier 2 ZIP Codes of the County. Before employing worker(s) from Tier 2 ZIP Codes, the available pool of local residents whose primary place of residence is within Tier 1 ZIP Codes must first be exhausted. Tier 1 means ZIP Codes within 5 miles of the proposed project site, and where the average percentage of households living below 200 percent of the FPL is greater than the County average for such households. Tier 2 means any ZIP Codes within the County where the average percentage of households living below 200 percent of the FPL is greater than the County average for such households. This definition shall also apply to affordable housing projects.

**Disadvantaged Worker Hiring Requirement -**

- For all projects, except affordable housing projects, at least 10 percent of total California hours worked on each project valued at greater than \$2.5 million shall be performed by County residents classified as a disadvantaged worker as described in the proposed policy. Hours worked by a disadvantaged worker who is also a local resident may be applied towards the 30 percent local resident goal.
- For affordable housing projects and mixed-use affordable housing projects that include County-funded facilities receiving funds administered by CDC and HACOLA, all having a project budget greater than \$2.5 million, there will be a disadvantaged worker hiring goal of 10 percent of total California construction labor hours. Exceptions for projects in jurisdictions enforcing their own local hiring policy, and for projects with federal or State funding prohibitions on geographic preferences will be established on a case-by-case basis. This would also apply to other County-funded affordable housing programs, such as the Mental Health Services Act administered by Mental Health.

**Definition of Disadvantaged Worker** - A disadvantaged worker is a resident of the County who (1) has a documented annual income at or below 100 percent of the FPL, or

(2) has other indices of career-limiting circumstances, specifically, one or more of the following: (a) no high school diploma or GED; (b) a history of involvement with the criminal justice system; (c) protracted unemployment; (d) is a current recipient of government cash or food assistance benefits; (e) is homeless or has been homeless within the last year; (f) is a custodial single parent; (g) is a former foster youth; or (h) is a veteran, or is the eligible spouse of a veteran of the United States armed forces, under Section 2(a) of the Jobs for Veterans Act (38 U.S.C.4215[a]).

**Project Funding Source Constraints** - At the initial stages of the project establishment, an analysis of funding source constraints shall be performed to ensure project eligibility for local worker hiring requirements.

**Management of the Local Worker Hiring Program** - CEO shall have oversight responsibility of the consolidated Countywide program, while departments and agencies implementing the project remain responsible for reporting and compliance activities.

This office will return to the Board to seek approval of the above recommended Countywide policy, and to rescind the previously enacted Local Worker Hiring policies for Job Order Contracts and for Veterans. If you have any questions, please contact David Howard of my office at (213) 893-2477, or via email at [dhoward@ceo.lacounty.gov](mailto:dhoward@ceo.lacounty.gov), or Massood Eftekhari of Public Works at (626) 458-4016, or via email at [meftek@dpw.lacounty.gov](mailto:meftek@dpw.lacounty.gov).

SAH:JJ:DPH  
FC:zu

- c: Executive Office, Board of Supervisors
- County Counsel
- Community Development Commission/Housing Authority
- Internal Services
- Public Works